

TUNE TO THE BACKWEB
THE JERUSALEM POST CHANNEL

THE JERUSALEM POST

Come Visit
THE NEW JERUSALEM POST STORE
22 Haifa Street, (1st floor)
Downtown Jerusalem, off the Ben Yehuda Highway
Tel. 02-623-1282

Book Department
Sun - Thur. 9:00 a.m. - 5:00 p.m.
Fridays 9:00 a.m. - 1:00 p.m.

VOLUME LXV, NUMBER 19637 MONDAY, JUNE 2, 1997 MAR 26 5757 25 MOHARRAM 1418 NIS 4.50 (Eilat NIS 3.80)

Inside...
The New York Times
8-page supplement

Eli Ohana released on bail
Page 4

'Vertigo' reaches new heights
Arts & Entertainment, Page 5

Index

Arts & Entertainment	5
Business	6
Crossword	11
Movies/TV	11
Opinion	6
Sports	10

French Left scores stunning election upset

PARIS (Reuters) — France's Socialist-led opposition won a stunning parliamentary election triumph in yesterday's decisive second-round runoff, forcing President Jacques Chirac to share power with a hostile left-wing government.

Exit polls predicted the Socialists and their non-Communist allies could win an absolute majority of between 289 and 298 seats in the 577-seat National Assembly.

The right would take 242 or 243 seats, the ecologists eight and the far-right National Front one or two.

Official results from the Interior Ministry, with 31 percent of districts counted, gave the Socialists 132 seats to the right's 99.

Just 40 minutes after polling stations closed, conservative Prime Minister Alain Juppé went on television to concede defeat.

"The people have spoken. Their decision is sovereign. We all respect it. I wish good luck to those who will now govern France and I wish good luck to France," he said.

The projected outcome was a crushing defeat for Chirac's center-right coalition, which held 464 seats in the outgoing lower house of parliament.

The president, who dissolved parliament on April 21 saying he needed a

"new elan" to lead France into a single European currency from a position of strength, seems bound to call on Socialist leader Lionel Jospin to form a government.

It will be the third time in 11 years that France has had a period of left-right power-sharing known as "cohabitation."

National Front leader Jean-Marie Le Pen said Chirac had suffered a double defeat and should resign.

Jospin has said he supports European economic and monetary union but would not impose a further bout of austerity to meet the strict criteria to qualify for the single currency in 1999.

He has said he will seek new European negotiations on giving greater priority to employment and economic growth, on including Italy, Spain, and Portugal in the single currency from the start, and on ensuring the euro was not overvalued

against the dollar.

Communist leader Robert Hue, declaring "a great hope is born," said his party hoped to join "a government of the whole Left."

Dominique Strauss-Kahn, the Socialist's likely finance minister, said the Right lost because of unemployment. The Socialists have pledged to create 700,000 jobs for young people, half of them in the public sector, over the next three years.

Mixed signals on el-Baz mission

By JAY BUSHINSKY

Egypt's effort to get the Israeli-Palestinian peace process back on track generated contradictory signals from the two sides yesterday.

A communique issued by Prime Minister Binyamin Netanyahu's bureau after his second round of talks with Egyptian envoy Osama el-Baz said "some progress was achieved."

But chief Palestinian negotiator Saeb Erekat said "the situation is very difficult" and that there still is "a wide gap" between the parties.

Erekat's evaluation was based on a briefing he received from Egypt's ambassador, Mohammed Bassiouny, who attended el-Baz's two-hour meeting with Netanyahu.

Netanyahu's spokesman Shai Bazak described the session as "an attempt to define the problems dividing Israel and the Palestinian Authority."

He said el-Baz's contacts with the two sides "will continue," but noted that a date has not been set for another meeting between him and Netanyahu.

El-Baz returned to Cairo immediately after his talks here. He had been expected to confer with Erekat, but their meeting was canceled and Bassiouny took his place.

"El-Baz had something urgent to do in the Egyptian capital," Erekat said, but said he did not know what that was.

The Netanyahu-el-Baz meeting was also attended by Foreign Minister David Levy, cabinet secretary Danny Naveh, policy adviser Uzi Arad, and Levy aide Ya'acov Bardugo.

Erekat saw no chance of an early summit with the participation of Netanyahu, Egyptian President Hosni Mubarak, and PA Chairman Yasser Arafat.

He attributed the current impasse to Israel's ongoing settlement activity, contending that if it were frozen, "there would be no problem."

"There are 34 outstanding commitments" undertaken by Israel which have not been fulfilled, he continued.

Among those he cited were failure to "dissolve" the civil administration in Judea and Samaria, refusal to "withdraw the military government" in these areas, and evasion of "further redeployment."

Among the other causes of friction were the non-implementation of safe passage between the West Bank and Gaza, and the "inability of Palestinians to drive their cars to Jordan and Egypt."

El-Baz's peace mission was seen by Foreign Ministry sources as a supplement, rather than a substitute, for the mediation undertaken by the US.

US envoy Dennis Ross is expected to return to the region once el-Baz nails down a basis for a running dialogue or further negotiations between Israel and the PA.



Jordanian princess visits IDF
Princess Aisha (center), who is setting up a Jordanian women's corps, is flanked by OC Women's Corps Brig.-Gen. Yisraela Oron (left) and Col. Orit Adatto, commander of Training Base 12 in Tzrifin, at a ceremony at the base yesterday.

Police foil land dealer abduction

By MARGOT DUDKEVITCH

Jerusalem police foiled an attempt by six Palestinians to abduct Palestinian land dealer Assad Rajibi shortly after midnight on Saturday, Jerusalem

Rajibi, and arrested the six. Weapons were found in the possession of some of those arrested, he said, adding that two guns were thrown out of the cars during the chase.

The six Palestinians arrested are Mohammed Iwad, Fares Amir, Morad Abdallah, Mohammed Khader, Ahmad Marisour, and Jilal Sabitan. They were remanded for six days yesterday.

At a news conference, Yitzhaki blamed the head of security in the Palestinian Authority for Rajibi's attempted abduction and the murder of land dealer Mahmood Ali Jamhour.

Four of the six men involved in the abduction are Palestinian Preventive Security agents, Yitzhaki said.

"It appears the head of security in the Palestinian Authority is directly involved," Yitzhaki said, adding: "I refuse to divulge his name."

See FOL, Page 2

TAU scientist's invention could cut nuclear terror threat

By JUDY SIEGEL

The US Patent Office has granted a patent to Tel Aviv University nuclear scientist Prof. Alvin Radkowsky for an invention that — if adopted by governments around the world — will significantly reduce the global threat of nuclear terrorism and the availability of nuclear weapons.

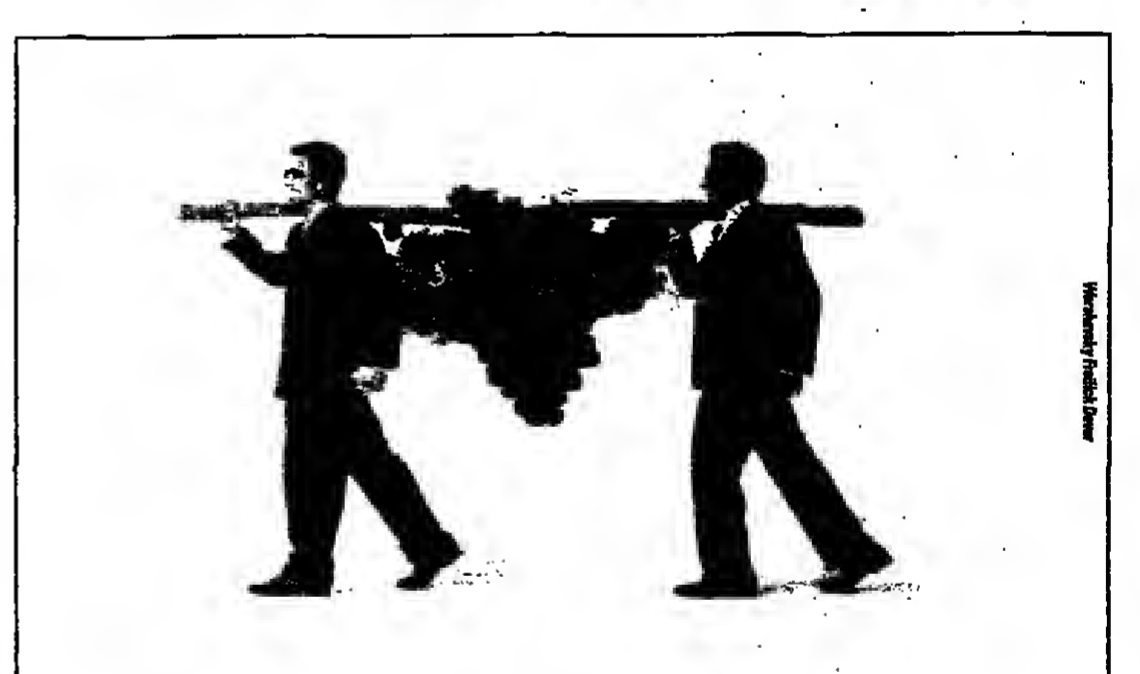
Radkowsky, who immigrated to Israel in 1972 after serving as chief scientist of the US Naval Nuclear Propulsion Program for 24 years, invented a technology that uses thorium instead of uranium for much of the fuel in the core of nuclear reactors, and does not produce any by-products that could possibly be used for making weapons.

At present, all the approximately 400 commercial light-water reactors in the world discharge over 70 tons of plutonium annually. Only four kilos of plutonium are needed to make a nuclear bomb.

The invention is known as the non-proliferative light-water thorium reactor — or the Radkowsky Thorium Reactor (RTR). Thorium is much more plentiful and cheaper than uranium — it can even be mined in Israel — but until now, no practical method was found to exploit its potential in nuclear energy production.

Radkowsky noted yesterday that another advantage of the RTR is a major reduction in nuclear waste, not only in quantity and toxicity, but also in radioactivity and heat emission. Nuclear-power countries are facing serious problems in storing nuclear waste, he said.

The RTR, he maintained, could reduce nuclear power costs by 20% to 30%, partly due to the savings in uranium. The RTR



ISRAEL'S ECONOMY IS ON THE MOVE.

We offer you a comprehensive and diverse range of banking and financial services, based on six decades of unrivaled expertise. Talk to us first, and profit from a fully informed picture with professional services specifically tailored to your needs, including a special program of highly competitive financing opportunities.

Open a tax free foreign currency account and enjoy:

- Strict confidentiality
- Short & medium term deposits in all major foreign currencies
- Deposits convertible into all major foreign currencies
- Highly competitive interest rates
- No estate duties, tax free interest in Israel
- Funds transferable worldwide.

Should you choose to diversify your assets, consider investing through the Bank, in bonds and stocks, traded worldwide and on the Tel Aviv Stock Exchange.

• A real estate purchase in Israel entitles you to loans of up to 50% (60% under special circumstances) of the property value.

For details, visit any branch of Israel Discount Bank, or contact our Business Promotion & Marketing Department, 16 Mapu St., Tel Aviv. Tel: 03-5216223, 5247279. Fax: 03-5242343. E-Mail: men@netvision.net.il

ISRAEL DISCOUNT BANK



مكتبة الناصر

Hizbullah gunman killed

By ABIEH O'SULLIVAN

IAF aircraft blasted Hizbullah targets twice yesterday, scoring direct hits and killing one guerrilla and wounding another.

The IDF said the first raid yesterday evening hit a Hizbullah stronghold north of Sujud in the Iqim al-Tufah region. Two hours later, IAF jets returned to attack a Hizbullah firing position near the village of Majdal Salim.

The air raids came as Lt. Yuval Nir, 22, of Rehovot, was buried. He was killed Friday night when his squad encountered Hizbullah mortar fire.

An initial inquiry into the inci-

dent by the Northern Command said that the fact the soldiers kept their distance from each other prevented further casualties. It also said the troops returned fire and evacuated Nir quickly. They were patrolling in what the IDF considers a relatively quiet area.

Nir's death sparked a renewed debate about the continued IDF presence in the security zone. A group of mothers of soldiers started a campaign to get the IDF to withdraw from south Lebanon.

"We need to leave Lebanon," said Miri Sela, spokeswoman for the newly formed group. "Everything has been done and tried. Now it is time to move on to new solutions, totally differ-

ent."

Sela told Israel Radio that her group is planning gatherings across the country this weekend and they hoped to collect 100,000 to 150,000 signatures on a petition calling for a withdrawal. She said the petition would be given to Prime Minister Binyamin Netanyahu and President Ezer Weizman.

But Avi Benayahu, spokesman for Defense Minister Yitzhak Mordechai, said a total reassessment of the situation in Lebanon was recently made by the Northern Command, General Staff, and the defense establishment with instructions to re-examine all alternatives. It was then discussed in the cabinet and decided that Israel would stay put in south Lebanon, Benayahu said.

"In the present situation and existing conditions where there is a threat of brutal terror against the settlements and residents of the North, there is nothing to

replace our activity in south Lebanon," Benayahu said.

Also yesterday, IDF troops, aided by tanks, set up a roadblock near the village of Armon near the IDF position at the Beaufort castle, and captured three Hizbullah activists who participated in attacks against Israeli forces in the area, the army said.

Liat Collins adds: Meretz leader Yossi Sarid yesterday repeated his opposition to a unilateral withdrawal from south Lebanon. "It would be irresponsible," he said.

"If we were to leave tomorrow morning, it's clear that Hizbullah would immediately come to the border and the communities of northern Israel would be in the firing range and under threat. There would be a danger of another war, so it won't even prevent loss of life as we intend."

Sarid said the solution has to be found through diplomacy.



Guardian of Jerusalem

Chief Rabbi Yisrael Meir Lau shakes hands with Prime Minister Binyamin Netanyahu and Jerusalem Mayor Ehud Olmert upon receiving the Guardian of Jerusalem Award, in a ceremony at City Hall last night. The award was presented by the International Forum for a United Jerusalem to Lau and 12 others from Israel and abroad, in recognition of their efforts to assure that Jerusalem remains united under Israeli sovereignty. (Bryan McNamee)

BACKGROUND

Murdered man seemed unlikely target for PA wrath

By JON IMMANUEL

Mahmoud Ali Jambour worked in a Jerusalem sandwich bar off Jaffa Road for 10 years, making sandwiches and small talk with the customers. One day a new group came in, spread maps out on the table, and it seems, sealed Jambour's fate.

Sometimes Arab dealers joined in the group, poring over the plans. Among them was 70-year-old Farid Bashiti, found bludgeoned to death near the Ramallah police station three weeks ago.

Jambour, 34, was eager to please. Everyone who said they knew him, Jew or Arab, called him "a decent man." Unlike Bashiti's acquaintances, who spurned him after his death, Jambour's acquaintances defended him.

He held two jobs to support his wife and two small daughters. His wife was a resident of the Shuafat refugee camp in Jerusalem and therefore had an Israeli identity card. Jambour, whose family lives in a village north of Ramallah, also wanted an Israeli identity card, especially after closures were imposed on West Bank residents in 1993, making it potentially difficult for him to work legally in Jerusalem.

He applied for resident status that year, and asked his Israeli acquaintances for help in speeding up the process. They told him to wait patiently; he finally received the identity card a year ago.

After a time, another group of Arabs began frequenting the sandwich bar. They were operating a nearby paint store. They came in, sat down, and watched the others

going over maps.

A few months ago one of them asked Jambour what kind of identity card he had. When Jambour showed him the Israeli ID card he had recently acquired, the man smiled and said, "so you are one of Bibi's boys. But you should know the Palestinian Police can get you, too."

Jambour took this as a piece of friendly advice, rather than a threat. A month ago the anonymous Arabs stopped coming. A week later Bashiti was kidnapped to Ramallah and killed.

The Jewish real-estate dealers also stopped coming. But Jambour continued to turn up every day for work. After living for years in rented accommodations, he recently bought a four-room house in what is a run-down area even by the refugee camp's standards. It cost about \$40,000 and he still owed money on it. He could not afford to stop working. But he registered it in his father's name, angering his wife, who complained to the police in Ramallah.

Last Tuesday, Jambour received a call to come to the Ramallah police station. He went because he assumed it was about his wife's complaint. But he assumed the police might also ask him about his relationship with Bashiti, and he told them that he just served the sandwiches.

Jambour was there for 24 hours and came back Thursday morning. He told his employers he had been interrogated harshly, kept alone in a cell and was not allowed to eat. But he was not beaten. Finally, as he expected, the police said he could go, and told him they would not press charges against him.

FOIL

Continued from Page 1

However, PA Justice Minister Fathi Abu Meadin said it is obvious that Israel is responsible for the murders. "I accuse the Israelis, those dealers, those traitors finished their job on the Israeli side. It's obvious Israel has a finger in it," he told reporters.

Yitzhaki said police have proof that Jambour and land dealer Farid Bashiti had been held in buildings known to belong to the PA before their murders. "This shows that it wasn't the initiative of one person," he said.

Yitzhaki told reporters that Jambour and Rajibi were involved in the sale of a house in Abu Tor to Jews.

In response to the abduction attempt, Prime Minister Binyamin Netanyahu said that "such acts harm the idea of peace and coexistence between us and the Palestinians. We know that those who cannot respect their own people will not respect their neighbors."

Netanyahu added that Israel cannot accept attacks on murders on those holding Israeli identity cards, through the encouragement of senior members of the PA.

According to Ben-Ruby, police have a list of names of land dealers slated for murder, but he refused to divulge the number of dealers on the list.

Jay Bushinsky adds: The supposed emergence of the "Keepers of the Holy Land Group" as the underground outfit that murdered the three Palestinian land dealers was dismissed by David Bar-Illan, Netanyahu's media adviser, as "a ruse perpetrated by the Palestinian Authority."

"The KHLG is a cover-up for the actions of the Palestinian security forces," Bar-Illan said.

A pro-PA newspaper, *Al-Hayat al-Jadida*, was notified by an anonymous caller that the KHLG was behind the slayings, and reportedly was told that details of these operations will be disclosed in due course.

Ohr Torah Institutions of Israel mourns with sorrow the passing of

Dr. Manfred Lehmann ז"ל

renowned scholar of Torah texts and fierce champion of his people's rights.

May the entire family be comforted amongst the mourners of Zion and Jerusalem

Shlomo Riskin, Dean


Jamie Lehmann
Yeshivat Givat Shaul
Beit HaMusar

Mourn the passing of our dear friend and patron

Dr. MANFRED LEHMANN ז"ל

and extend our heartfelt condolences to his dear family

המקום ינחם אתכם בתוך שאר אבלי ציון וירושלים



BAR-ILAN UNIVERSITY
mourns the passing of our dear friend

DR. MANFRED R. LEHMANN ז"ל

founder of the
Jaime Lehmann Chair for Piyut Studies and Research
and recipient of an honorary doctorate
from the university

Deepest condolences to his wife: Sara Anne,
and the entire family

May you be comforted among the mourners of Zion and Jerusalem

The Board of Directors and staff of the
Mother-and-Baby Convalescent Home
The Helen & Feisch Moskovits Wing

extends its sincerest condolences to

Mrs. Anne Lehmann

and her entire worthy family
upon the untimely passing of her beloved husband

DR. MANFRED LEHMANN ז"ל

a true friend of our institution.
May they know no further sorrow

The Directorate

On the *shloshim* after the passing of our beloved

JACOB JACK BRIN

we will hold a memorial service and
unveiling of the tombstone tomorrow,
Tuesday, June 3, 1997 at 4 p.m.
at the Savyon Cemetery

We thank all those who expressed condolences

The Family

The Jerusalem Post

The Book Department,
at its new location at
22 Rehov Hahistadrut, Jerusalem,
will be closed for stocktaking
on June 3, 1997.

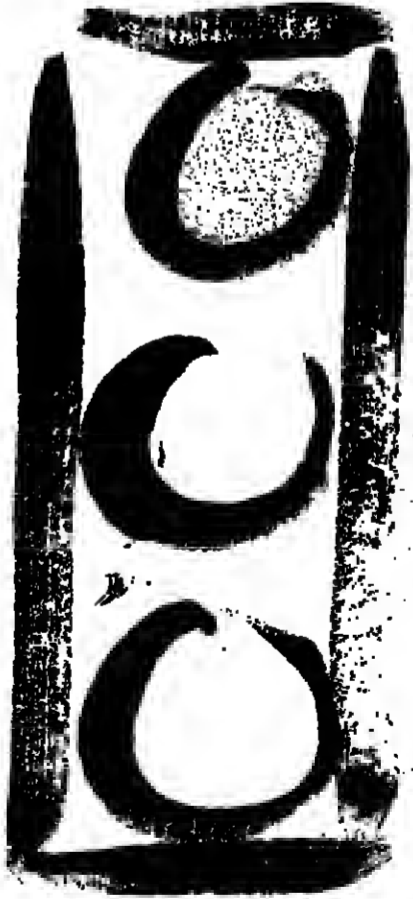
www.virtual.co.il

EVERY DAY IS JERUSALEM DAY AT
Virtual Jerusalem

Listen to Arutz 7, 711 and 1143 AM, 105 FM

Increased traffic enforcement on interurban roads will continue throughout the year, 24 hours a day.

Whenever you drive into an intersection against a red light, you endanger everyone around you.



Remember that cameras at traffic lights are photographing you every time you commit a traffic offense.

700 07*129

Drive responsibly or pay the consequences

Road Safety Administration Ministry of Transport

Traffic Division Israel Police

הכנאמן האהוב

Soccer star Ohana out on bail

By RAINE MARCUS

Betar Jerusalem soccer star Eli Ohana, suspected of defrauding the tax authorities out of hundreds of thousands of shekels, was released yesterday on NIS 650,000 bail by the Tel Aviv Magistrate's Court.

Ohana, 33, is also one of the national team's senior players, and was unanimously chosen as the player of the season by the local media.

In court yesterday, tax investigator Yosef Shviro said that an examination of the player's tax returns revealed large discrepancies between the sums declared by Ohana and his actual earnings.

Ohana denied the allegations and said that "everything would become clear shortly."

Investigators charged that Ohana failed to declare the purchase of a Jerusalem apartment. He also allegedly failed to declare money he had earned in Portugal while he was playing there.

Checks he received did not match the yearly sums of money stated in his tax forms, issued annually, said Shviro.

Ohana had his passport confiscated for 180 days, but Judge Nira Lidsky said that, if the tax authorities agreed, he could leave the country if he posted his bail in cash. This decision will allow him to travel to Moscow on Wednesday as Israel prepares to take on Russia in a crucial World Cup qualifying match next Sunday.



Betar Jerusalem soccer star Eli Ohana (seated) in Tel Aviv Magistrate's Court yesterday. The court released Ohana, who is suspected of large-scale tax fraud, on NIS 650,000 bail. (Barak Wolfson, courtesy of Ma'ariv)

New drug for Parkinson's disease

By JUDY SIEGEL

A new locally-developed Parkinson's disease drug that is meant for treating patients in the illness's advanced stages may also serve as an alternative for the main drug currently used, L-Dopa.

The new drug, called L-Dopa ethyl ester, was developed by Prof. Daphna Atlas of the Hebrew University and Prof. Eldad Melamed of the Rabin Medical Center-Beilinson Campus and financed by Teva Pharmaceuticals. Atlas will today be cited for this work when she receives the Kay Prize for innovation at the Hebrew University Board of Governors meeting.

Conventional L-Dopa loses its effectiveness the longer it is taken by Parkinson patients, who constitute one to two percent of the population over the age of 60 (there are some 10,000 patients here).

Because L-Dopa is not soluble in the blood, it can't be used directly by injection. Atlas's team, which included Drs. Jeff Sterling, Yitzhak Millman and Alexander

Weinberg, searched for a solution to be used at that stage when L-Dopa begins to lose its effectiveness: a drug with similar properties but highly soluble so it can be injected in large quantities.

The material, synthesized in Atlas's lab in Jerusalem, has three US patents registered for it by the Hebrew University's Yissum research and development corporation. She believes it can also be used during the early stages of Parkinson's, before the symptoms become progressively worse.

Although the new drug doesn't halt the progression of the disease, but only slows it, animal studies were very promising, and Teva is conducting Phase II clinical trials at a number of local medical centers.

At the end of Phase II trials, Atlas hopes to begin the application process to the US Food and Drug Administration.

The team is also working on other new Parkinson's drugs based on anti-oxidant materials that would pass the blood/brain barrier and be a solution to Parkinson's, as well as Alzheimer's disease.

Matza: Medicine shortage for psychiatric patients

By JUDY SIEGEL

Over 1,000 people are currently institutionalized in psychiatric hospitals "because of a shortage of medications that could help return them to society and the community," Health Minister Yehoshua Matza said yesterday.

In a verbal attack on Finance Minister Dan Meridor during a tour of the Tirat Hacarmel Psychiatric Hospital, Matza said Meridor "should show the same sensitivity for individual rights that he showed

when he was justice minister." Matza, who learned of the problem from hospital officials, said he was not sure we're not violating existing civil and patients' rights laws by "unnecessarily" keeping patients in mental hospitals.

During a visit to Rambam Hospital in Haifa, Matza warned that if hospital budgets for buying medications are cut by 20%, as the Treasury is demanding, hospitals will have to choose between refusing patients or demanding that they contribute to the cost of medications.

Deri petitions for delay in trial

By BATSHEVA TSUR

In another attempt to delay his criminal trial proceedings, Shas MK Aryeh Deri yesterday petitioned to the High Court of Justice.

Deri presented an urgent petition to the court asking for the attorney-general to show cause why the criminal trial should not be suspended until the High Court completes its hearings on petitions related to the report on the Bar-On Affair. Deri was incriminated in the report and an indictment is to be brought against him.

Last week, Attorney-General Elyakim Rubinstein turned down a similar request from Deri, saying the judges in the criminal proceedings were "objective and professional" and would not be affected by the High Court's hearings on the Bar-On Affair. But in his petition yesterday, Deri said that he was likely to be discriminated against since the report by Rubinstein and State Attorney Edna Arbel on the

affair had fingered him as the sole public figure against whom an indictment should be brought. "The judges are only flesh and blood," Deri said.

It is impractical to conduct two trials at once and Rubinstein and Arbel - in their report published just before Passover - said Deri would be indicted only after his current trial is over, the petition said.

Furthermore, Deri's attorney, Navot Tel-Zur, said he had appealed to Rubinstein and Arbel not to make public their opinion since it could affect his client's criminal trial before the Jerusalem District Court.

Rubinstein's decision not to postpone the criminal trial is therefore "exceptionally unreasonable," the petition said. In addition, Deri said in the petition, defense witnesses are no longer willing to give testimony since his name was mentioned in connection with the Bar-On Affair.



Aryeh Deri (Isaac Harel)

THE STATE OF ISRAEL THE ACCOUNTANT GENERAL Ministry of Finance

CALL FOR BIDS FOR LEASING OF LAND FOR THE HOTEL TRADE AT 15 HILLEL STREET

1. The Ministry of Finance hereby calls for bids for acquisition of leasing rights for a period of 49 years, with an option for a further period of 49 years, in the property specified below.
2. a. The property is located at 15 Hillel Street in the Center of Jerusalem. The property is entered at the Land Registry Bureau as plots 191, 198 in bloc 30049, page 5722 and 4361 in book 1015. The land is not regularized. The area of the plots is about 1,160 sq.m. and the building area is about 1,934 sq.m. (Hereafter: "the property")
 - b. The utilization limit according to the leasing agreement is 6,300 sq.m. for principal uses and 2,050 sq.m. for service areas, a total of 8,350 sq.m. For any additional utilization of any type whatsoever beyond the aforesaid utilization limit, an additional payment will be made to the State of Israel in accordance with Land Administration procedures.
 - c. The local outline plan for Jerusalem - plan no. 62, applies to the property. According to this plan the land is assigned as a "commercial area" including inter alia, hotels.
 - d. The global building rights are 150% on 3 equal floors, each of 50%.
 - e. It is hereby clarified that the purchaser may use the property only for a hotel.
 - f. A new plan for the property is in the preparatory stages. In the plan in preparation the aforesaid property is reassigned for an urban 3-star hotel, which will have 150 hotel rooms on an overall built up area of 6,000 sq.m. This plan is in its earliest stages and does not yet have statutory validity. The Ministry of Finance in no way undertakes that these plans will be approved and does not undertake to continue with the planning and with obtaining of approval from the planning authorities.
 - g. Any development carried out in the future will oblige the successful bidder to make a payment to the development body.
 - h. In addition to the amount proposed for the property, the successful bidder will also pay fees and taxes to the local authority, in accordance with the municipal by-laws in practice in the authority, and betterment tax.
3. a. If so desired, the tender book can be obtained from the Yaadim Office at 134 Carl Netter Street, Jerusalem, Tel 02-5819491, Sundays to Thursdays, from 9.00 a.m. to 12 noon, against payment of NIS 1,250 which will be deposited in the account of the Ministry of Finance at the Postal Bank - Account No. 0250922, and this from 2.6.97.
 - b. A visit to the property will take place on Thursday, June 19, 1997 at 4.00 p.m. On June 23, 1997, at 12 noon, a bidders' convention will be held in the offices of the Accountant General, at the Ministry of Finance, 1 Kaplan Street, Jerusalem, Room 650.
 - c. The bid will be backed by a deposit of NIS 1,500,000 (one and a half million new shekels) by bank draft or independent bank guarantee.
 - d. The bidder will attach to his offer a form with details regarding the financial soundness and the hotel experience in accordance with the tender procedure.
 - e. The last date for submitting the bids for the tender is 16.7.97 at 12 noon precisely. The bids will be placed in the tender box at the Ministry of Finance in Jerusalem in the Archives, room 523, floor 5 of the Ministry of Finance building, 1 Kaplan Street, Jerusalem. The Ministry of Finance may at any time extend and modify the date of closing of the tender, and notification thereof will be published in the press. In such a case the date of closing of the tender to all intents and purposes will be modified accordingly. Any bid which is not inside the tender box, at the time of closing of the tender, for any reason whatsoever, will not participate in the tender.
4. The Ministry of Absorption, which held and holds part of the property, covering an area of about 1,334 sq.m., in unprotected rental, may continue to rent from the successful bidder part of the property for 18 months from the date of payment of the entire price by the successful bidder. The rent and the conditions of rental are specified in the tender book.

World News, see Page 9

TEL AVIV UNIVERSITY

THE MORRIS E. CURIEL CENTER FOR INTERNATIONAL STUDIES
AND THE ISRAEL-ARGENTINA FRIENDSHIP ASSOCIATION

GUEST LECTURE of DR. RUBEN BERAJA

President, DAIA
President, Latin American Jewish Congress
Vice President, World Jewish Congress

The Situation of the Jewish Community in Argentina: Image and Reality

Opening Remarks:
Mr. Benno Gitter
Chairman, Tel Aviv University Board of Governors

Greetings:
Dr. José María Y. Otegui
Ambassador of Argentina to Israel
Prof. Shlomo Ben Ami, MK
Incumbent, The Elias Sourasky Chair
in Ibero-Latin American Studies
Prof. Eli Barnavi
Director, The Morris E. Curiel Center for International Studies

on Thursday, 5 June 1997, at 7:00 p.m.
at the Malka Brender Hall of Justice, Trubowicz Building
Tel Aviv University Campus, Ramat Aviv

Entrance through Ramnicana Gate (4)
Simultaneous translation into English and Hebrew

The public is invited

THE HEBREW UNIVERSITY OF JERUSALEM

will dedicate
**The Bernard L. and Mary T. Sachs Chair
in Cancer Studies**

with the participation of
Keith and Herb Sachs

of the U.S.A.
and the incumbent of the Chair
Prof. Eliezer Kedar

On Monday, June 2, 1997
on the Givat Ram Campus

THE HEBREW UNIVERSITY OF JERUSALEM

will dedicate

**The Julius Oppenheimer Fund
in the Life Sciences**

with the participation of
Mrs. Ann Oppenheimer

of the U.S.A.

On Monday, June 2, 1997
on the Givat Ram Campus

THE JERUSALEM POST

F. DAVID RADLER Chairman, Board of Directors NORMAN SPECTOR, President & Publisher

Founded in 1932 by GERSHON AGRON

EDITORIAL OFFICES AND ADMINISTRATION The Jerusalem Post Building, P.O. Box 81, Ramat Gan, Jerusalem 91000 Telephone 02-531-5666, Fax 02-531-5610... CIRCULATION—02-531-5610, ADVERTISING—02-531-5608...

JEFF BARAK, Editor CARL SCHRAG, Managing Editor AMOTZ ASA-EL, Associate Editor, Business DAVID BRINN, News Editor...

AVI GOLAN, Executive Vice President, Marketing & Advertising PAUL STASZEWSKI, CPA, Vice President, Finance YOSHI HORIN, Vice President, Production...

Iran's Lebanese role

Lt. Yuval Nir died on Friday from wounds sustained in a mortar attack in southern Lebanon, the tenth Israeli soldier to die there this year. With each soldier's death, the pressure builds to find some alternative to the current deployment there...

lists will be a cessation of terrorism, and other barbarities, such as the farwa against Salman Rushdie, that are directed against the West. But while it is understandable that nations focus first on interests closer to home, the case of southern Lebanon must not be ignored in measuring any possible change in Iranian policies...

Eleventh hour

SUSAN HATTIS ROLEF

Except for what the candidates themselves are obviously feeling, there's a definite lack of excitement over tomorrow's Labor Party leadership contest. Partly that's because it seems pretty clear that Ehud Barak will win...

babies' cheeks and gazing deep into the eyes of total strangers. Yet, paradoxically, of all Labor's top men Barak is the least accessible. As a party member, while I have never had any difficulty getting hold of any Labor leader or representative for an informal chat...

Labor will have a new leader this week, but all eyes are on another election, three years away

rather gentlemanly affair. Anyone who hoped for venom was disappointed. It has not been without interest, however. The four candidates, all born in the '40s, probably boast between them an IQ score that would not shame eight ordinary people...

Yossi Beilin has the broadest governmental and diplomatic experience of the four, and is the only one who has climbed up from the bottom of the political ladder. The most impressive feather in his cap is the first Oslo agreement, the Declaration of Principles, which was his brainchild.

Dry Bones



Irrespective of who wins tomorrow, Ben-Ami is certain to find himself in the biveh of any future Labor leadership. I would go so far as to say that he is indispensable. Ephraim Sneh is considered the least charismatic of the four, even though his personal demeanor is the most pleasant.

No democracy, no peace

P. DAVID HORNIK

Few things aroused left-wing scorn like Prime Minister Netanyahu's assertion to Congress last summer that real progress toward peace would require the democratization of Arab countries.

We need to hear more from the Left about this situation. We know what it thinks of the Netanyahu government—it has to be toppled, it's wrecking peace, it's awful.

have had no illusions about the Arafat regime he was setting up. In his famous remark, he assured us that the PA would fight Hamas effectively, without being hindered by human rights organizations or crying parties.

LETTERS TO THE EDITOR

DEIR YASSIN

Sir—Daniel McGowan (Letters, May 16) urges the creation of a monument to commemorate the "victims" of what he calls the "massacre" of Arabs by Jewish soldiers in the town of Deir Yassin in 1948.

JEWISH ROOTS

Sir—Professor Joseph Dan bemoans the lack of interest in Jewish studies on the part of modern secular Israeli youth in his article of May 16.

STOLEN CARS

Sir—Eli Wohlgelemer's report (May 6) that less than two days after its theft, the car of Jerusalem City Councilman Oman Yekutieli was returned, thanks to the swift intervention of Jibril Rajoub, the Palestinian Authority's security chief, is illuminating, and revealing.

FRIVOLOUS EXPENSE

Sir—I can understand when companies advertise their product to improve sales. I can understand individuals advertising to make a point. I can understand The Jerusalem Post accepting advertisements to increase revenues.

PHONE CARDS

Sir—I am a phone-card collector from the Sultanate of Oman and would like to exchange phone-cards of your country with your readers, even in duplicate.

SHORT, BALD AND BEAUTIFUL - THAT'S SHARANSKY, STILL FIGHTING

The Oslo agreement, he says, was deeply flawed from the beginning. It put the easy parts first, all gifts to the Palestinians: recognition as an equal partner, rule over West Bank cities and a substantial territory, creation of a Palestinian Authority with powers of a state.

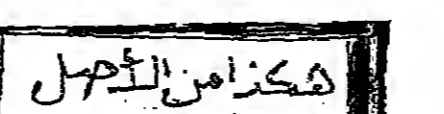
Brave, clear voice of Israel abroad

A.M. ROSENTHAL

Natan Sharansky is in America, talking about what is going on between Israel and Yasser Arafat. These days there is nothing Israel needs more—a clear, brave voice abroad.

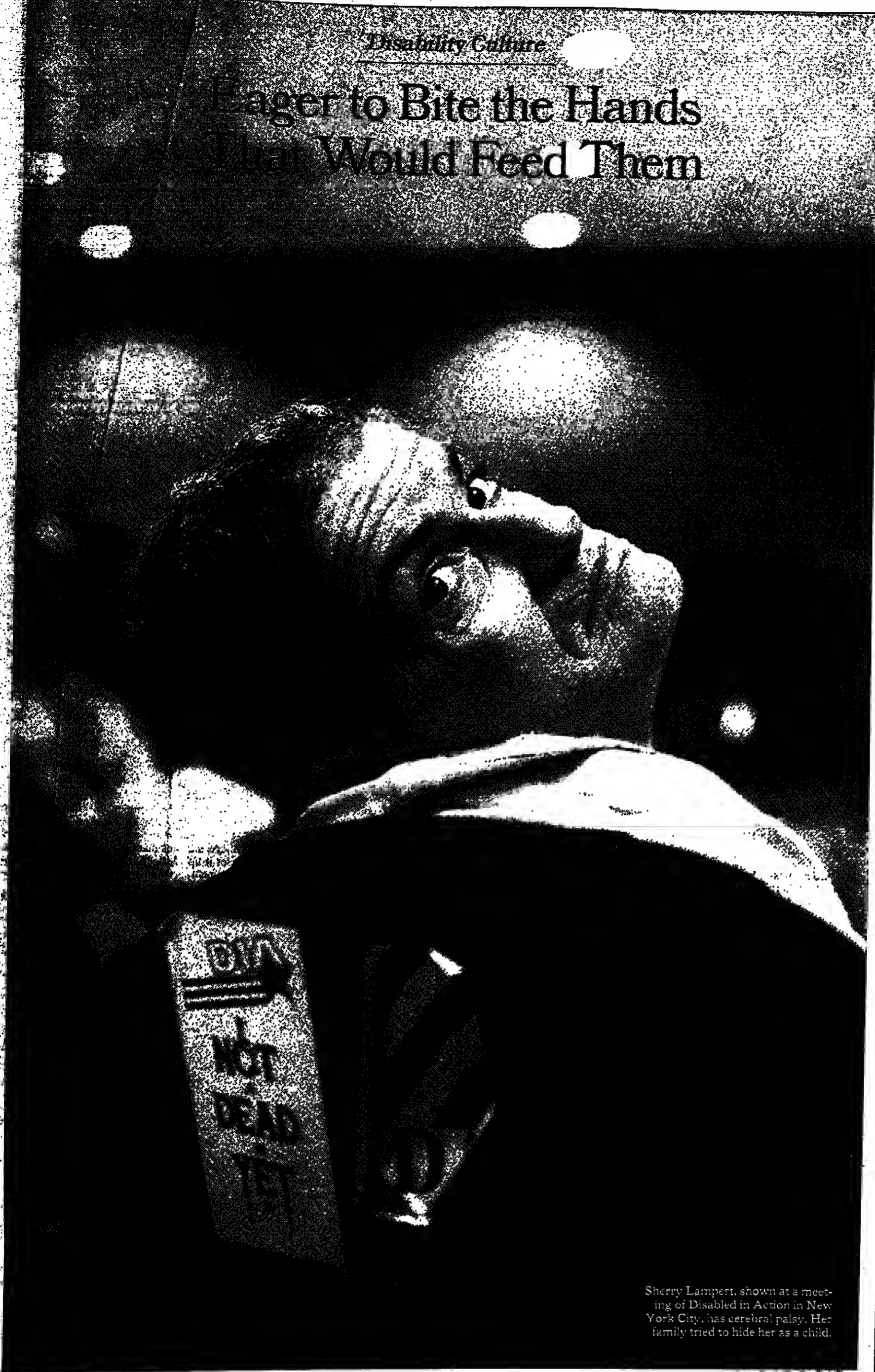
dom, but in the Soviet Union, first as a dissident hated by the KGB, then through nine years of vicious incarceration. He was freed in 1986, by US intervention. Those days, America did that kind of thing.

perhaps—someday Palestinians might turn toward democracy—who knows? Meantime Westerners and Israelis devoted to Labor and Arafat have created a new passion and work-goal: the fall of the Netanyahu government.



Disability Culture

Eager to Bite the Hands
That Would Feed Them



Sherry Lampert, shown at a meeting of Disabled in Action in New York City, has cerebral palsy. Her family tried to hide her as a child.

James Estrine/The New York Times

By DOUGLAS MARTIN

ARGUABLY, Mattel's introduction of a new pal for Barbie, "Share-a-Smile Becky," represents a new consciousness toward disabled people. The doll comes in a pink-and-purple wheelchair.

It might be a harder sell than the toy company thinks. "The name makes me want to gag," said Leslie Heller, who has cerebral palsy. Nadina LaSpina, who had polio, said, "It shows they can make money off of us."

"We'll see where it's marketed," said Deborah Yanagisawa, who is blind. "It will be in the hospital gift shops."

The comments signify a new militant attitude among many of the disabled, sometimes including a willingness — even eagerness — to bite the hands that would feed them. After decades of fighting for access to everything from colleges to buses, a battle that culminated in 1990 with the passage of the landmark Americans with Disabilities Act, increasing numbers of people with disabilities are forcefully putting forward ideas that might startle many Americans.

Not only do they criticize the Franklin Delano Roosevelt Memorial for omitting a wheelchair, they point out that the Braille is too high up and too large to read. Far from applauding the customers in wheelchairs shown in television commercials, they grumble that there are no disabled sales clerks. They castigate Christopher Reeve for his campaign for a cure for spinal injury, saying it is unrealistic and offensive to people who have learned to live with their disabilities and indeed thrive on them. They demonstrate against giving doctors the right to

assist in suicide, calling that a slippery slope; they grimly point out that Hitler killed 200,000 disabled people before he got around to other groups.

Perhaps most surprising to conventional thinking is that many say they would reject being cured even if it were possible, explaining that they have a condition, not an illness. "I would not trade my disability for anything," Ms. LaSpina declared. Rather, she said, it is up to the world to adapt to her

For the newly militant,
disabilities are something
to celebrate and cure is a
four-letter word.

needs, a process spurred by legislation and regulation and accelerated by technology — from power wheelchairs to voice-activated computers.

"We will not change to fit the mold," she added. "Instead, we will destroy the mold and change the world to make sure there is room for everyone."

Disability, of course, is in the eye of the beholder, and must be defined as continuous. A person who uses glasses — arguably "spectacle bound" (as in the hated phrase "wheelchair bound") — would not normally be included. The disabled are the only minority group anybody can join at any time. This said, the average number of Americans with physical disabilities is 49 million, including many within

the growing ranks of the elderly.

Ms. LaSpina, who has a doctorate in Italian literature, teaches a course called "Disability Culture" at the New School for Social Research in New York City; Ms. Heller and Ms. Yanagisawa are two of her students. They are united in the conviction that a new culture has developed among the disabled, much like that of deaf people, who have long had their own language — and like that of homosexuals.

Hardly self-pitying, disability culture celebrates disability and finds expression in literature, poetry, dance and, most pointedly, in a scathingly dark humor. (An example: one-disabled people are bowling pins because they are so easy for wheelchair riders to knock over.)

Poetry by Cheryl Marie Wade begins by saying she is "not one of the physically challenged." It continues: "I'm a sock in the eye with a gnarled fist, I'm a French kiss with a cleft tongue."

Disabilities are central to such visions. "We are proud of ourselves as people with disabilities," said Steven E. Brown, co-founder of the Institute on Disability Culture in Las Cruces, N.M. "We claim our disabilities with pride as part of our identity. We are who we are: we are people with disabilities."

The consciousness shift can be traced back to 1962 when Edward V. Roberts, who became a quadriplegic after contracting polio, was admitted to the University of California. He had to sue to do it, just as in the same semester James Meredith sued to become the first black person to gain admission to the University of Mississippi. Mr. Roberts, a quadriplegic who attended class using a respirator, was quickly joined by other disabled students, who

Continued on Page 4

Role Reversal

Switching
Sides on
States' Rights

By ADAM CLYMER

IT'S hard to tell the states' righters from the big Government folks these days. It's even harder if you have a scorecard that lists party affiliations.

Not many years ago, Democrats were the chief advocates of a powerful central government, while Republicans defended state capitals against Washington. Now it is conservative Republicans who are saying that Washington knows best when it comes to curbing damage awards in state courts, or deciding which medical procedures states are competent to regulate. And it is Democrats who say the states know best about juvenile delinquency — though not about gun control.

The role reversal has opportunity at its root: the Republicans find that the Congress they control is much wiser in its appreciation of national needs than the Congress the Democrats controlled only three years ago. But there are also cultural reasons why it can flourish.

The traditional argument for deferring to state or local control was the sanctity of regional differences, in economics, in customs, in values. When the Republic was founded, the relative importance of trade and agriculture was very different in Massachusetts and Virginia; for that very reason, the two states had quite distinct approaches to issues ranging from bankruptcy law to the War of 1812.

The United States, though, is now a country where children wear the jerseys of athletes who play for teams 1,000 miles away, and where people vacation in different regions from year to year. Even though two out of three people live in the state where they were born, a figure not very different from that of 1940 or even 1850, the national economy and culture have overtaken regional ones. In much of the country, local pride is perhaps felt most strongly by politicians, who stress their local roots.

As a result, said Don Kettl, a professor of political science at the University of Wisconsin, it is a stretch today to say that effective job training in Mississippi is different from that in Minnesota; the people in those states who administer training programs have similar college degrees, read similar newspapers and watch nearly identical television.

The best argument for states' rights now, Professor Kettl said, is efficiency and responsiveness. "We need a certain administrative discretion," he said. "You can't run everything from Washington." And those concerns were pre-eminent when a House education subcommittee took to the road last week to find out what people disliked about the Federal Government's role in education.

The touring representatives did not hear complaints that Washington was destroying Kentucky's or Ohio's unique approaches to learning based on their particular traditions and circumstances. But they heard lots about excessive, costly paperwork that Washington keeps inventing to keep local educators overworked. (They also heard that sending more Federal money would be nice.)

Yet even if the political actors have switched roles, the words used in Congressional debates are familiar. Except for the party affiliation of the speakers, it could have been a 1960's debate over any new Federal program last month, and not a commentary on this year's juvenile delinquency bill, when Max Sandlin, a Texas

Continued on Page 4

Iranian Surprise
Democracy
isn't always
what it seems.

By Barbara
Crossette

2



De-Puritanization
From
Donna Rice
to Paula Jones.

By Francis X.
Clines

3



Cheers for Fears
Kids like
scary
things.
Very scary
things.

By Doreen Carvajal

3



Continued on Page 4

The World

Democracies Love Peace, Don't They?

By BARBARA CROSSETTE

EVER since the American Revolution, Americans have believed that democracies are the most enlightened form of government and, by their nature, should be friends and allies. The nation's biggest wars have been fought in defense of democracies or under the slogan of making the world safe for them. Even when Washington has joined forces with dictators like Stalin or corrupt regimes like that of South Vietnam, it has felt compelled to recast their images to make them more acceptable partners.

"We are a revolutionary country with a revolutionary tradition," the sociologist Seymour Martin Lipset said. "We want everyone to be democrats."

Theo along came Mohammed Khatami. Iran's religious leaders had approved Mr. Khatami's candidacy for President, but he was not their favorite. Campaigning for some relaxation of restrictions on life under the Islamic fundamentalist regime, last month he won a startling victory with 69 percent of the vote.

Mr. Khatami had the enthusiastic support of young people and of women of all ages who appeared to believe that change was possible, that there was hope that a long night of Islamic repression might finally let in a little light. Nobody was calling Iran a democracy, but many political scientists agreed that a significant expression of popular opinion had been allowed to take place. "A tremendous energy has been released," said Mahnaz Afkhami, an Iranian exile in Washington who was a minister for women's affairs in the Government of Shah Mohammed Riza Pahlavi. "The people want freedom, they want participation. We now see that the society is not summarized by its Government. It is more complex than that."

But at the State Department, the Iranian vote won no applause. After several days President Clinton was able to find some

room for hope in Mr. Khatami's election, but he quickly fell back to the policy outlined by a State Department spokesman, John Dinger, as the vote took place.

"Our analysis of the election and the new Government in Iran will be based on Iran's international behavior, first and foremost," Mr. Dinger said. "That involves its efforts to undermine the Middle East peace process, its efforts to develop weapons of mass destruction, and its state sponsorship of terrorism. That is the standard against which we will measure this Government. Full stop."

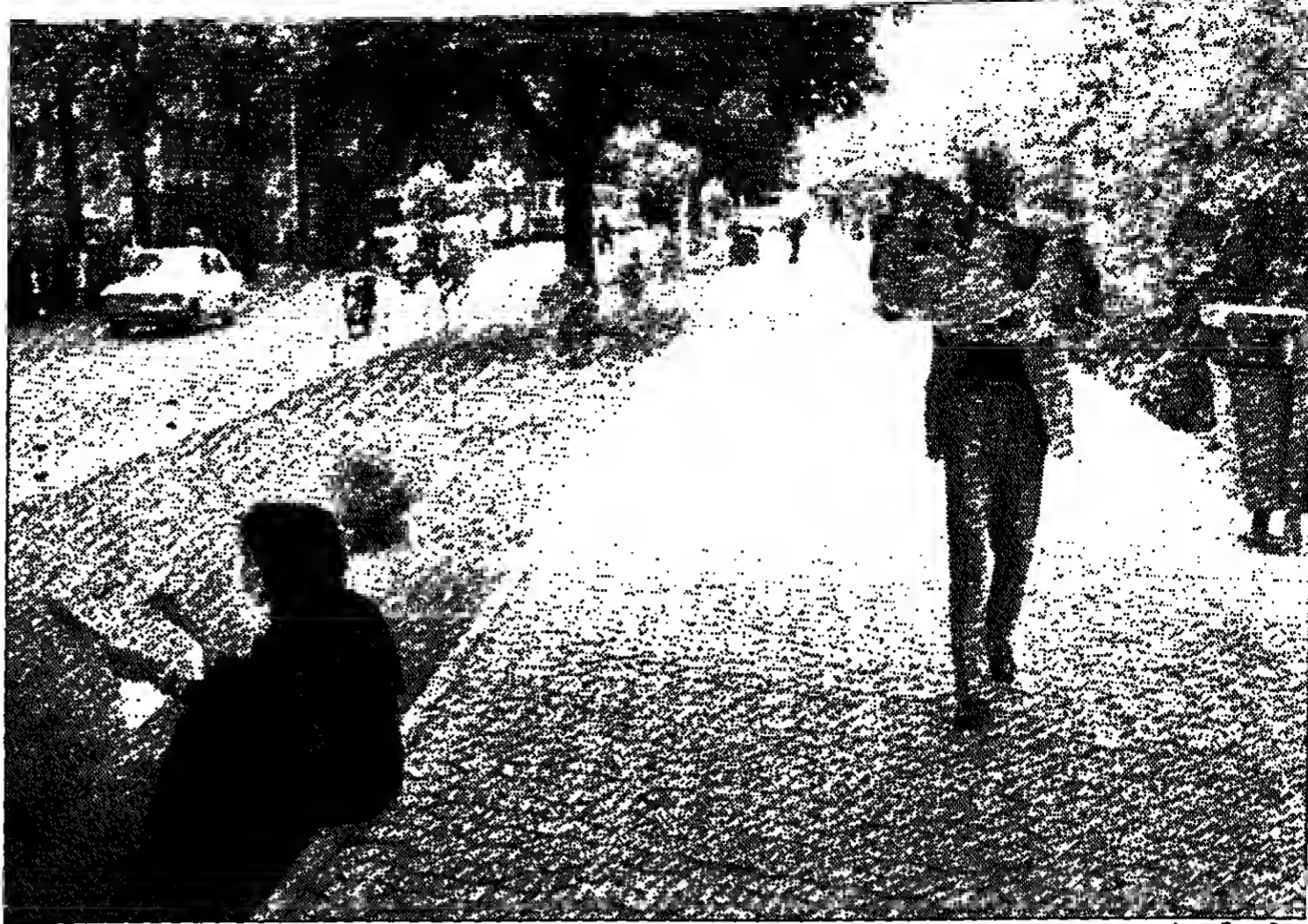
Competing Concerns

The Iranian election, a number of scholars say, is only the most recent in a growing number of cases that challenge American assumptions of what democracy is as it proliferates around the world. The United States can no longer assume that democracies are automatically friends. It will not be easy to use a nation's political system as the main criterion for better relations, when there are other issues, like security and trade, pressing.

"Even people like me who believe that promoting democracy or human rights deserves a central place in U.S. foreign policy must acknowledge that it can't be the only issue," said Joshua Muravchik, a resident scholar at the American Enterprise Institute in Washington and author of "Exporting Democracy" (AEI Press, 1991). "After all, the bedrock of our policy is keeping the country safe. There will always be times when security interests pull one way and democracy interests pull another way."

"In the case of Iran," he said, "one of the paradoxes has been that Iran has throughout the period of the Islamic Republic been more democratic than a great many other regional states, including the states with whom we have had quite friendly relations."

The obvious comparison is with Saudi Ara-



Mohammed Khatami won a startling popular victory in Iran's Presidential election. In Tehran, residents followed the returns.

A surprising election in Iran challenges the American world view.

bia, said Mr. Lipset, a professor of public policy at George Mason University. "You do get the problem that some countries that are definitely non-democratic, like Saudi Arabia, are better supporters of the United States," he said. "We have all sorts of trouble with Iran, and probably will have in the future, that we don't have with the Saudis. "It's been argued," he added, "though I don't know that it's been documented, that democracies don't go to war with each other. If for no other reason, it might be useful to

have more democratic countries. But in the case of Iran, we have the question of Islamic hostility to the West."

At the Hoover Institution at Stanford University, Larry Diamond, a senior research fellow who is co-editor of *The Journal of Democracy*, said the confusion of dealing with new democracies and would-be democracies and semi-democracies is compounded by the erosion of many democratic systems established since the end of colonialism and the collapse of the Soviet system.

Like Samuel Huntington and other scholars, he is concerned that partial democracies like those in Southeast Asia, in which limitations on democratic institutions are accepted, will become the standard.

"Political freedom has deteriorated in several of the longest-surviving democracies of the developing world, including India, Sri Lanka, Colombia and Venezuela," Mr. Diamond wrote last year in *The Journal of*

Democracy. The backsliding among relatively new democracies has heightened caution in Washington, dimming enthusiasm over political changes abroad that might have been cheered only a decade ago.

While more countries call themselves democracies, Mr. Diamond said, "It isn't enough to have elections." There must be independent political organizations, the rule of law, accountability for corruption, protection of civic rights and equality for women, among other measures, he said.

Thus the election of Mr. Khatami in Iran may prove to be heartening, as may the movement in China toward greater village democracy. "Democracy is not something that is simply present or absent," Mr. Diamond said. "It's not like a light switch that you flip on or off. It emerges in different fragments in different sequences in different countries and in different historical periods."

Foul-Weather Friends



After Kistanje was attacked by the Croatian army in 1995, it became a Croat town.

Ally in War, Burden in Peace

By CHRIS HEDGES

ZAGREB, Croatia DURING the war in the former Yugoslavia, the United States developed a close alliance with Croatia in the battle to push back the Serbs in Bosnia. Now Croatia finds itself in a bitter dispute with its old patron.

Croatia's flagrant violations of the Dayton peace agreement, its intolerant nationalism and its refusal to permit a free and independent press were once dismissed in Washington as minor infractions, but now they are assailed as unacceptable.

Croatia may have won the war but it is quickly losing the peace.

President Franjo Tudjman has been warned to two meetings with American diplomats in the last week that because his Government has not honored the commitments it made in Dayton, he will not be allowed to take control of the Serb-held enclave of Eastern Slavonia, now administered by the United Nations, in July as scheduled. He has also been informed that if his Government pursues its current nationalist course it will be locked out of Western military and economic alliances. What has changed? The political stance of President Tudjman, a former Communist general, remains consistent. But with the war over and Croatia no longer a useful counterweight to Serbian aggression, the Clinton Administration is no longer willing to overlook the unsavory character of the Croatian Government.

The White House cut a Faustian deal with Croatia during the war. With Sarajevo under siege, the United States needed Croatia to serve as a conduit for tons of clandestine shipments of Iranian arms and munitions to the Muslim-led forces in Bosnia. Retired American officers were brought in to train Croatian units. The trouble was that those American-trained units not only seized two Serb-held enclaves in May and August of 1995 and helped the Muslims launch a successful offensive against the Bosnian Serbs at the end of the war, but they drove a quarter of a million ethnic Serbs from the country.

President Clinton's decision to forge an alliance with Croatia led Washington to repeatedly downplay the Tudjman Government's ethnic cleansing campaigns, which pushed 500,000 of 600,000 ethnic Serbs out of the country. It meant that when the Bosnian Croats, who

take their orders from Zagreb, refused to cooperate with the American-brokered Croat-Muslim federation established in 1994 in Bosnia, Washington did not say much. And when Zagreb brazenly issued passports to Bosnian Croats, let them vote in Croatian elections and drove Muslim families from the Croat-held area in Bosnia, there was again little outcry from Washington.

"During that period all sorts of signals were sent to Zagreb that the process of cohesion between Zagreb and Washington was a deep, historical line that was irreversible," said Ivo Banac, a history professor at Yale University and a specialist on the Balkans.

Now, though, Croatia's usefulness has diminished. And Washington has found itself with an ally that espouses a nationalist ideology as distasteful as the one proffered by the Serbs. Furthermore, Washington has found it impossible, given the obstruction from Zagreb and Belgrade, to carry out the lofty goals of the Dayton agreement: to rebuild a multi-ethnic society, arrest indicted war criminals and establish democratic rule.

The Croatians don't know what has hit them. And President Tudjman, who has informed American diplomats that most Serbs will not be permitted to return, seems to think that eventually the world will accept the fact that the region has been divided into ethnic enclaves and that the Dayton peace plan has failed.

Europe and Washington, though, still think they can make the Dayton plan work. They may be wrong. At the start of the conflict in Bosnia, the Western allies failed to understand that Yugoslavia could not be stuck back together, so they never fostered the democratic processes or parties that could have built liberal and open states. Instead, they hastily recognized ethnic leaderships whose main goal was not to build democracies but to purge minorities from their midst.

Now the Western alliance is giving Croatia a choice: either become part of the European community by honoring the commitments made in Dayton or forego any economic assistance and trade relationships with the rest of Europe.

From Zagreb's point of view, the choice is far from clear. This, after all, is not simply a call to honor commitments made at Dayton. It is a call to renounce the nationalist ideology that informs the nation's identity. What Washington demands is nothing short of a metamorphosis of the nationalist state. Right now Croatia, like Serbia, appears more willing to risk isolation than to destroy what it views as its most glorious achievement: the creation of an ethnically pure state.

Marshall's Grand Plan

Foreign Aid, 50 Years Later, Never Looked So Good

By STEVEN ERLANGER

WASHINGTON PRESIDENT CLINTON was in Europe last week in grandiloquent gear, celebrating the nobility, creativity and sacrifice of the generation of American leaders who carried out the Marshall Plan and helped to rebuild Western Europe.

Ever since George C. Marshall proposed the plan 50 years ago, Presidents have invoked it whenever they want to feel good about themselves. Even as historians scrutinize the aid program's role in the Cold War division of Europe, it stands as one of America's finest moments of global leadership and enlightened self-interest, and carries a powerful sentimental appeal that Americans are still capable of grand and unselfish acts. With arching rhetoric, Mr. Clinton summoned its spirit to sell a significantly lesser project, the expansion of NATO.

The historical parallels were shaky, the stakes far less dramatic. Europe is prosperous instead of prostrate, and the Soviet bear is no longer on the march. And as Mr. Clinton spoke of NATO's expansion as crucial to completing "the noble journey that Marshall's generation began," his own proposal was proof that the era of American generosity was long over.

For Mr. Clinton brought no moose, just an exhortation to the Europeans and to private investors to rebuild central and eastern Europe, along with a pledge that "America stands with you." In this he followed the new American model in today's less-threatening world: talk about leadership, but get somebody else to pay the bill.

Instead of Billions, a Pledge

"Churchillian rhetoric lacks credibility here," said Richard N. Haass, director of foreign policy studies at the Brookings Institution. "In today's world, neither Europe nor NATO is as central. NATO enlargement is being oversold and can't form the centerpiece of a post-containmentment foreign policy."

"Mr. Clinton is wrong to try to base a foreign policy legacy on this," he continued. "It isn't big enough. It's not important enough for Europe or for the world. It isn't the Marshall Plan."

During the four years of the Marshall Plan, from 1948 through 1951, the United States provided \$13 billion in grants and loans (about \$88 billion in today's dollars). That was 1.2 percent of the nation's total economic output at the time; that percentage today, over four years, would total \$320 billion. As important, America opened its markets to European goods and encouraged Europeans to act together for their collective benefit.

The man whom Mr. Clinton celebrates, Mr. Marshall, was known for his humility and the flatness of his delivery, even in the Harvard commencement speech in which 50 years ago this week he introduced the idea of a European Recovery Plan. His ringing beginning? "I need not tell you gentlemen that the world situation is very serious."

Mr. Marshall had unquestioned credibility for his crucial efforts to win World War II, along with his whole generation of American leaders. Mr. Clinton, by contrast, came into office having avoided his generation's war and thinking he could concentrate on domestic policy, having been handed the gift of a collapsed Soviet Union and a vanished cold war.

While the Marshall Plan was a creative response to a pressing challenge, the expansion of NATO, Mr. Haass said, is simply one possible response to a post-Soviet Europe that is not in turmoil or crisis.

"The Marshall Plan could be sold on its merits, while the best argument for going ahead with NATO enlargement now is that not going ahead with it would be worse," Mr. Haass said.

Charles William Maynes, president of the Eurasia Foundation and a former editor of *Foreign Policy* magazine, criticized Mr. Clinton for not offering enough. In today's climate, a huge program of foreign aid would be hooted down in the United States, he said, but Mr. Clinton could emulate the Marshall Plan by doing more to open American markets to goods from central and eastern Europe, Russia and Ukraine.

Nor is the President's appeal to global capital and private investment to meet Europe's needs sufficient, Mr. Maynes said. Money flows to Poland, Hungary and the Czech Republic on their merits, but it will not flow to the countries that most need help, like Ukraine or Albania, without significant incentives. Mr. Clinton could also try to push these former Communist countries to work together, as the Marshall Plan did, rather than compete against one another for NATO membership and investment.

In the meantime, despite American urging that the European Union expand rapidly eastward, the challenges that its members face in making structural economic changes and reducing deficits in order to qualify for the single European currency mean there is little enthusiasm for a costly expansion of the union, let alone the smaller bill for a larger NATO.

Both Mr. Maynes and Mr. Haass pointed to the irony that while Mr. Clinton is promoting NATO, he is less than ringing about the American commitment to keep troops in Bosnia, which is NATO's most visible project in the post-Soviet era. Talk about stabilizing Europe through the arguably unnecessary initiative of expanding NATO could ring hollow if Washington walks away while European stability is unraveling again in Bosnia. "That's where the cynicism will come in," Mr. Haass said.

Peter W. Rodman, director of national security programs at the Nixon Center and a strong supporter of NATO expansion, is kinder to Mr. Clinton. "I used to be a speech writer, so I give them some license," he said. "Anyway, NATO enlargement bears some comparison to the Marshall period. It is the necessary consolidation of the 1989 revolution and makes it irreversible. It means the Yalta settlement is no more."

"These countries are independent and choose to be associated with the civilization of Europe and the West," he said. "To me, this is an act of creation."



Happy birthday, dear Marshall Plan. Mr. Clinton at a Dutch party for the foreign-aid program.

مكازم الشهر

The Nation

America's Jaded Eye On Sex in Public Life

By FRANKS X. CLINES

THE moment surely was one for the ages: A television correspondent stood solemnly, the White House in the background, and speculated on the possibility that the President of the United States might one day have to submit to a genital examination by the Supreme Court had allowed a civil lawsuit to go forward charging him with crude and lustful behavior.

Here was non-tabloid network news alluding to the private parts of the Commander in Chief. A stunned viewer might have wondered where was the long-promised V-chip? Whatever happened to the Puritanical scrim once thought to filter out the seamier details from the drama of American political life?

O! Ye Puritans

If nothing else, it may be time to consider updating de Tocqueville, who firmly concluded 150 years ago, when the formative American soul defined the land: "Although the travelers who have visited North America differ on many points, they all agree in remarking that morals are far more strict here than elsewhere."

If de Tocqueville needs revising, it may be in degree more than in absolute. The New World is not yet at that Gallic point reached after the death of President François Mitterrand last year, when a state funeral featured a wife and mistress in the same sharing of official grief. And yet, last week the nation brushed aside President Clinton's mission of global statecraft for the greater news that Paula Jones is to have her day in court sooner rather than later.

In its unanimous ruling, the Court found that, notwithstanding "the high respect that is owed to the office of the Chief Executive," Mr. Clinton could not delay Ms. Jones's sexual harassment suit until after his incumbency. The Court found no Constitutional support for Presidential immunity for alleged official misconduct in the case, in which Mr. Clinton is accused of a vulgar propositioning of Ms. Jones in 1991, while he was Governor of Arkansas and she was a state employee.

The Court ruled strictly on the civil rights issue of the suit, not its titillation value, which seemed considerable as a cascade of jokes soon flooded the nation about the "9-z" decision, and other snickering notions. The only immediate political fallout was that one of Ms. Jones's lawyers, Gilbert K. Davis, topped off his 15 minutes of fame as he headed into this month's Republican gubernatorial primary in Virginia. But privately, a discouraged Administration worker conceded the fear that the ruling will likely "sap everything else the President does" at the White House.

"It's like a low-grade fever," said Michael Beschloss, the historian who closely watches the modern White House. "It's true all the rumors of Jennifer Flowers and Paula Jones didn't keep Clinton from re-election, but I think they really do depress the amount of popularity and respect he deserves for his achievements." Plain respect, the historian emphasized, is quite a different value than the relative popularity Mr. Clinton enjoyed in his two elections as President.

Polling data make the President's situation seem paradoxical. While he was twice elected even as allegations and rumors of his philandering became politically commonplace, the public's measure of marital morality has been toughening. In 1973, 69.6 percent of adults said sex with someone other than one's spouse was "always wrong." Twenty-one years later, the same question drew stronger disapproval, 78.5 percent, according to the National Opinion Research Center.

"If this court ruling had come a year ago, we could have been swamped," said one Clinton adviser about the re-election campaign. With the Court's blessing to proceed, he noted, the charges might have fully ignited the character issue that fizzled in the hands of the Dole campaign. This Clinton man made a sharp distinction between the public's appetite for titillation and the tolerances of its moral code. Modern America certainly seems more willing to be steeped in and even laugh out loud at the lewd details of political sex scandals, but that should not necessarily be construed as an easing of the Puritanical tradition that can so suddenly punish American public figures for private behavior.

Mr. Clinton himself recognized the need to deal with the public's more open curiosity about the subject in 1992 when he and his wife artfully sought to pre-empt campaign controversy on the philandering issue in a careful television interview. They presented themselves as an empathetic couple working together on their problems. Their approach seemed rooted in the hard lesson of Gary Hart, who had brazenly dared reporters in 1988 to document rumors of his marital infidelity. His stratagem only compounded the public's grand chortling at his "Monkey Business" demise.

If anything, the plethora of sex stories in public life



WASHINGTON Paula Jones and her husband, Steve, right, wait with Daniel Traylor, a lawyer, before a 1994 news conference.



FRANCE In 1996, President François Mitterrand's funeral brought together his widow, Danielle, left, and his mistress, Anne Pingeot, fourth from the left, and their daughter, Mazarine Pingeot.



BIMINI Gary Hart, the leading contender for the 1988 Democratic Presidential nomination, fell from public grace when he was photographed with Donna Rice.

— from Senator Bob Packwood's serial gropings to Lieut. Kelly Flinn's Scarlet-A resignation from the Air Force — have only heightened the need of politicians to identify the critical distinctions that the American public seems to be making. In the case of Mr. Packwood, Senate colleagues hung in fraternally but finally shunned him as constituents registered outrage at his gross behavior. But in the case of Lieutenant Flinn, the first female B-52 pilot, no less an astute politician than the Senate Republican Leader, Trent Lott, made a point of complaining that the Air Force seemed to be indulging a double standard in ending a female officer's career because of adultery. "Where's the guy who's involved in this deal?" he asked, echoing the question of women who vote, among others.

Oh, Gender Politics

It was such an acute observation in touching the core of gender politics that spin-crazed reporters instantly were asking the Senator whether it was offered on the

suggestion of Dick Morris, the wily occasional adviser to the Senator and the President, now fallen from grace in the modern political melodrama because of his toe fetishism with a prostitute. Mr. Lott said, of course not, claiming credit for common sense.

Trying to track sex as a public issue in modern America is like "watching two curves crashing against each other," in the view of the historical novelist Thomas Mallon. "There is a new Puritanism of sorts, with people terribly afraid to make passes and grope the way they did 30 years ago. Against that, there is the other curve of people being much more willing to admit things go on that we always knew were going on but pretended not to know. There's a low-level hysteria in the culture as these two things clash."

Caught in the grip, the President and his lawyers, like everyone else, are trying to survive. The nation may be inching toward the European tradition on sex and politics, one Clinton adviser estimated, "but we're not ready for Mitterrand's funeral."

Awesome

In Kids' Pop Culture, Fear Rules

By DOREEN CARVAJAL

Her laugh turned to a moan at the first ripple in her bones. She tensed her thighs and abdomen to will the change on, and clutched the night air like a lover as her fingers lengthened and her nails sprouted. Her blood churned with heat like desire. The night, she thought, sweet night.

— Jacket blurb for "Blood and Chocolate" by Annette Kurtis Klaus, a werewolf novel for 13-year-olds.

BOY meets she-wolf. She-wolf falls for meat (boy). And parents and educators wonder where, oh where, have Nancy Drew and the Hardy Boys gone? Terror is stalking children's popular culture.

It lurks in the pages of glossy paperbacks, where bodies dangle from nooses like "heavy ripe fruit" and teens suffer from real, serious skin problems, involving ripping, clawing and puddles of blood.

It glows in darkened living rooms where, according to the Nielsen TV ratings, on typical nights more than 13 million children below age 11 are watching "The X-Files," the hit occult detective series, and 600,000 wait eagerly for "Buffy the Vampire Slayer" to skewer a throbbing heart.

And last week across the country, in entire multiplexes devoted solely to screenings of the phenomenal blockbuster "The Lost World," it gripped millions of pre-teens in an orgy of primordial mayhem: for starters, the film offered up a picnicking girl as a snack for baby dinosaurs, and raced on to show a frightened innocent performing the gymnastics routine of her young lifetime to escape rampaging velociraptors.

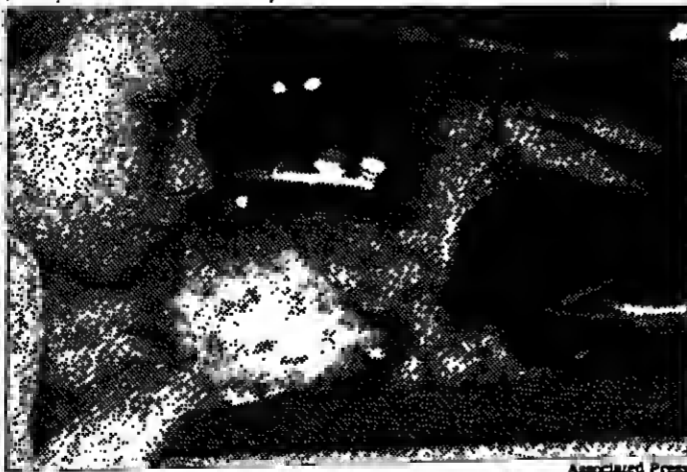
Kids have long enjoyed having the bejezus scared out of them, but never before have the movie, TV and publishing industries seemed so adept and sophisticated in indulging their dark fascinations. A range of educators and childhood experts cite dead-end production values and marketing savvy as key factors behind a slew of books, TV programs and films that are grittier, scarier, edgier and more violent than ever before. At the same time, they say, it also appears that the audience for kiddie horror is getting younger and younger.

Younger Targets

"The opportunities to find scary things are increasing," said Joanne Cantor, a communications professor at the University of Wisconsin in Madison who has studied children's

reactions to frightening TV shows and movies for 15 years. With cable TV, she notes, there are more chances for children to happen upon frightening programs. And, she added, even movies marketed as family fare are ratcheting up the terror level.

Referring to the picnic-idyl-turned-nightmare opening of "The Lost World," she said: "My research shows that one of the scariest things for a young child is when a child is a victim. And yet these programs are marketed to the entire family, and kids are begging to get in." The film is rated PG-13, which amounts to a signal to boundary-testing pre-



Scared stiff: "Lost World" museum exhibit in New York.

In movies, on TV and in books, children embrace the dark side.

teens that this movie is for them.

In publishing, the youth reading market is dominated by the scores of works by R. L. Stine — both his "Goosebumps" series, published by Scholastic Books, and his "Fear Street" novels for older, "young adult" readers, published by Pocket Books.

Marilyn Payne Phillips of the University City Library in Missouri says the surfeit of Stine titles leads to younger kids reading what is inappropriate material. "I have third- and fourth-graders who want to read the books, and they can't distinguish between R. L. Stine writing for children and R. L. Stine writing for young adults," she said. "That's the scary thing to me as a children's librarian." The shelves are also full of Mr. Stine's imitators, and scary spinoffs capitalizing on popular television programs like "The X-Files" and "Tales From the Crypt."

Alice Joinaud, an editor at Random House of books for young readers, suggests that a

form of horror inflation is at play in the visual and print media, explaining that "the world is a more sensational place.

"I don't know how to say this without making it sound terrible," she said, "but we just try to make books as interesting as television, books that are interesting and exciting to read — and not artifacts of some old, duddy age."

And publishing executives note that, in giving kids what they want, the scary fare is at least enticing reluctant readers to crack open books. But such defenses — finding justification in the demands of the youth marketplace — don't wash with some parents, who have led scattered and largely unsuccessful efforts to ban Mr. Stine's books from schools and libraries. Experts on child behavior are worried too.

"I see more and more kids with nightmares in psychotherapy," said Mary Pipber, the author of "Reviving Ophelia: Saving the Selves of Adolescent Girls." "Three-year-olds and 5-year-olds are watching shows like 'The X-Files,' and they're just not ready for the material."

In her research on fright, Professor Cantor noted many reports of children driven into their parents' beds by frightening TV programs. She said one mother complained after her 7-year-old son watched an "X-Files" featuring "a man who had a sore on his stomach that was actually his twin brother who would growl during the day and kill at night."

"The boy woke up in a fit and for a week insisted on sleeping with his parents," Ms. Cantor said.

It is a commonplace of the publishing industry that young boys are the most voracious consumers of fright fiction, but librarians and some publishing executives say girls are actually their chief readers.

"We debate that," said Nancy Pines, a publisher for young readers at Pocket Books. "But we see fan mail for our 'Fear Street' series mostly from girls. I think boys do read them, but if I had to venture a guess I would say it's 60 to 40 for girls."

Some librarians worry about the impact on girls, who are often featured as victims of violence. There are also female characters who can dish out violence as well as take it — the high-school heroine of "Buffy the Vampire Slayer," for example. Are TV portrayals of feminine aptitudes for violence a good thing? A bad thing? Both?

Ms. Pipber advises parents to form small co-operatives to share information about books, films and television programs appropriate for their children. "My grandmother used to tell me to choose your books like your own friends," she said. "Grandma never had friends like these."

Welcome to Berkeley

Professor Knowledge Is Not an Oxymoron

By JAMES STERNGOLD

THE creation of a professorship is usually not a subject of great intellectual debate, but when the trendy University of California at Berkeley recently announced the endowment of a new chair, many academics paused to ponder what post-industrial society was coming to. With a \$1 million grant from the Xerox Corporation and its Japanese affiliate, Berkeley created a Distinguished Professor of Knowledge — at its business school.

Never mind that some professors, particularly professors of philosophy, could not understand what a professor of knowledge knows, or teaches.

"The idea is certainly a little bizarre, ambiguous," said Murat Aydede, an expert in the theory of knowledge at the University of Chicago's philosophy department. "What does this mean? Does it mean inquiry into the question of what is knowledge for these businessmen, or does he have some knowledge?"

Fred Dretske, chairman of Stanford University's philosophy department and author of "Knowledge and the Flow of Information" (M.I.T. Press, 1981), said: "I couldn't understand what he could be a professor of. I was sort of baffled by what kind of truth it involves."

Many people at Berkeley were quick to call the first occupant of the new chair, Ikujiro Nonaka, a Japanese management expert, Dr. Know.

But others pressed on to ask what would such a chair be doing at the business school, an institution dedicated to profits, after all, not wisdom or understanding.

"On one level certainly you can say a professor of knowledge is sort of a non sequitur because all professors are supposed to be professors of knowledge of one kind or another," said Nell Smelser, a sociologist who is a director at the Center for Advanced Study in Palo Alto. "And this chair looks like it should be in the school of Arts and Sciences. But it does say something interesting that that is thought of as a business subject."

Many academics saw the chair as a statement on how business schools are groping to enhance their role in an economy thriving less and less on the production of things and more on the production of ideas. Academic literature is filled with buzzwords like knowledge-based workers and intellectual capital. There are centers for the study of innovation and entrepreneurship, though many experts say it is almost impossible to teach it.

"Behind this is the recognition that the wealth of nations comes from utilization of



Ikujiro Nonaka, knowledge professor.

Epistemology comes to the business school.

technical know-how, not capital," said David Teece, a business professor at Berkeley and a pioneer in analyzing what he has called "the market for know-how."

Mr. Nonaka, a graduate of the Berkeley school of business, is famous for a book he co-wrote, "The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation" (Oxford University Press, 1995). He is expected to teach how corporations can best create and then use innovative ideas.

In short, the traditional language of dollars and cents has been replaced with a more abstract language that struggles to explain a real brain teaser: What does gainful employment amount to in an economy that places such puzzling values on abstractions, and less value on workers, who have become so casually expendable. "The idea of a knowledge-based society, I don't really understand what that can mean," said Bruce Vermazen, chairman of Berkeley's philosophy department. "It makes me a little frightened about the future. I liked it better when we made steel. Knowledge seems like kind of a shaky industry."

Ideas & Trends

War of Spin Makes The Pentagon Reel

By PHILIP SHENON

THE Defense Department may have the largest public-relations operation in the Federal Government, with thousands of people around the globe whose only job is to tell the military's story. But at least since the Vietnam War, the Pentagon has seemed to lurch from one public relations disaster to the next, from \$400 toilet seats to Tallhook.

There have been recent additions to the roster of scandals that have tarred the military, most notably the case of First Lieut. Kelly Flinn, the bomber pilot accused of adultery whose lawyers encouraged the perception that she was being destroyed by the Air Force simply because she had fallen hard for a married man.

Was this a public-relations war that the Pentagon had to lose? Although it was little known outside the Defense Department at the time, many female officers felt the Air Force was right to prosecute Lieutenant Flinn, and they were urging the Pentagon to become much more aggressive in defending itself.

The adultery charges, they said, were secondary to other, far more serious crimes that Lieutenant Flinn had also confessed to: lying to a superior officer and disobeying an order.

The spin experts of the business world — public relations and advertising executives — have long wondered why the Pentagon has so much trouble explaining and defending itself.

"If Kelly Flinn should have taught the Pentagon anything — and this is a lesson that corporate America knows well — it's that it's important to define a crisis early on in your own terms," said Steven Fink of Lexicon Communications, a Los Angeles company specializing in so-called crisis communication. "The military allowed the message to get away from them."

Perception Matters

The Pentagon faces a public-relations challenge unmatched in the Government, for it must answer for the round-the-clock activities of almost 1.4 million uniformed troops, many of them socially immature men and women

in their teens or early 20's with the keys to multi-billion-dollar weapons systems.

Given its warrior culture, the military is an institution that is especially loath to explain itself. The tendency to hold back information was only strengthened as a result of the Persian Gulf conflict, when the Pentagon for the first time succeeded in tightly restricting the movements of journalists in a war.

While the military sometimes seems to worry little about how it is perceived by the public, the perception does matter, especially when it comes to recruiting a new generation of troops.

The Army announced this year that it had begun accepting more recruits who had not finished high school. Recruiters said they had difficulty persuading high school graduates to sign up because of the bad publicity created by sexual harassment cases in the Army and because of the furor caused by the belated disclosure last year that many troops may have been exposed to nerve gas in the Persian Gulf.

Bill Westbrook, president of Fallon McElligott, the Minneapolis advertising agency responsible for a new ad campaign for United Airlines, in which the airline candidly admits that air travel can be a nightmare, said the Pentagon needs a similar strategy.

The Pentagon, he said, should be far more willing to admit its mistakes publicly — and apologize.

"I'd rely on candor," he said. "The American people have a huge capacity to forgive mistakes, but they have a very short fuse when it comes to being lied to."

The fuse could not have been much shorter last year when the Pentagon acknowledged not only that American

troops may have been exposed to Iraqi nerve gas, but that evidence suggesting they had been exposed had been hidden in Government files for years. Veterans groups and some members of Congress yelled cover-up.

The Pentagon turned to outside help, quietly hiring Guy Smith IV, a public-relations executive who had once served as the chief spokesman for Philip Morris, the cigarette giant, for 15 years.

His advice: Admit your mistakes quickly and explain what you're doing to resolve them. His contract was ended after reporters learned of his hiring, but his words

were heeded. The Pentagon has gone on a public-relations offensive, with officials traveling the country to explain to veterans of the Persian Gulf conflict that the Government is spending millions on research into their health problems. The result: veterans groups and members of Congress have muted their criticism of the Defense Department.

"Finally they're on the right track," said Phil Budahn, chief spokesman for the American Legion. But, he added, "the sad thing is that this may not be enough, and it may be too late."



Public-relations problem: Army officials talk about sex scandals with Congresswomen on the Hill: Eleanor Holmes Norton, the District of Columbia's delegate to Congress; Patsy Mink, Democrat of Hawaii, and Susan Molinari, Republican of New York.

Biting Hands That Deign to Feed



Disabled people demonstrated in March over access to Radio City Music Hall.

Continued From Page 1

called themselves "the Rolling Quads."

Mr. Roberts went on to set up a center at Berkeley to enable students, and then the larger community in the Bay Area, to help the disabled find homes, jobs and services. He died in 1985. His example led to 300 such centers being established around the United States. These Federally financed centers have been pivotal in allowing more disabled people to participate in life.



Mattel says Barbie's friend in a wheelchair will help society accept the disabled. The disabled beg to differ.

Many come together in groups like Disabled in Action, which has fought for elevators in subway stations and against telethons to aid the disabled, which it regards as hopelessly paternalistic. The Disabled in Action Singers perform such numbers as "Let the Children Stare" to convey the message that no good — certainly not politeness — is served by ignoring disabilities. For the disabled themselves, the new advocacy associations allow mutual affirmation to replace individual denial.

"When I was growing up, I was terrified of walking into a room of people with disabilities and admit I was one of them," Ms. Heller said. "Now I just love being in a community of people with disabilities."

It is not always easy. Many disabled people still don't get around much, and those who do often move slowly. Some are tired, physically and emotionally. But many say it is worth it because of the qualities they share. Carol Gill, a psychologist who was one of the first to use the term disability culture and who is a quadriplegic, says the disabled share a number of core values: tolerance for others' differences, highly developed skills at managing multiple problems and dark humor, among others.

Most important, said Ms. Gill, "Even if we have a minor disability, we're still different — because society won't let us forget that we're different."

For some disabled people, these differences are the opposite of off-putting. "I came to see disabled people as beautiful," said Danny Robert, who has multiple sclerosis. "Particularly people on respirators,

'I came to see disabled people as beautiful. . . . People who spasm a lot, people who drool.'

people in wheelchairs, people who spasm a lot, people who drool."

Mr. Robert, formerly a movie prop man, became a disabled-rights activist. "Once I stopped being what I had been, I needed to be part of a community," he said. "I love these people."

Sherry Lampert pretty much summarizes the changing, broadening horizons of the disabled. She is 49 years old and lives on the ground floor of a Coney Island housing project. She has cerebral palsy and needs round-the-clock attendants. As a teen-ager, her sister demanded that she hide in the back room when dates visited. Though her intelligence is sharp, her parents put her in a hospital ward for the retarded, and she tried to kill herself at 16. "I felt like I wasn't part of the human race," she said.

These days, Ms. Lampert has become a fervent participant in demonstrations against allowing assisted suicide. A bumper sticker on her wheelchair reads: "Not Dead Yet." Her views on Mr. Reeve are succinct: "I feel sorry for him because he wants to be cured."

Switching Sides On States' Rights

Continued From Page 1

Democrat, said: "Who knows best how to handle these problems? Who knows best how to handle things in Texas, in New York, in California, in Mississippi, in Iowa, in Illinois, in Massachusetts? Let us let local teachers, local preachers, local parents, local friends handle local problems in our states."

He was answered by Republicans, who made traditional arguments that an overwhelming national problem required a bold solution — as Democrats used to say in explaining why Washington needed to step in when the states weren't getting the job done. One veteran Republican, Bill McCollum of Florida, acknowledged, "We want these states to correct a broken juvenile justice system."

Debating Points

Much of the explanation for this reversal of roles is simply political advantage. Representative Barney Frank, a Democrat from Massachusetts, said that "99.9 percent of Congress clearly prefer that the issue be decided at that level of government which will decide the issue the way they like."

His frequent debating foe, Representative Henry J. Hyde, the Illinois Republican and the House's leading foe of abortion, does not really disagree. The civil justice system — which Republicans want changed to limit damage awards — may not be a traditional Federal responsibility, he said, but neither was family leave — a Democratic issue. States' rights, he said "is kind of a debating point. On a scale of 10, it's about a two. You got to do what you got to do."

Such admissions appall conservative theorists like Roger Pilon, director of the Center for Constitutional Studies at the Cato Institute. "There is a great deal of flip-flop here," he said, as many conservatives in Congress share liberals' "great distrust of the states."

Where Democrats want the Federal Government to handle social welfare, Republicans want it to deal with crime, he said, and both sides are wrong.

Defending the P.T.A.

Liberals like Mr. Frank seem less embarrassed to be arguing for the states than conservatives are at arguing for Washington. Perhaps that is because Democrats usually were arguing pragmatically, rather than for central government as a goal in itself.

In 1963, when the first major Federal bill to aid education was enacted, Representative Howard W. Smith, a very conservative Virginian, argued, "There is nothing dearer to the American home than the neighborhood school, where you have your P.T.A. and your different organizations and all take a vital interest in the school and have some control of it."

The other side didn't answer Mr. Smith directly. Instead, Representative Carl Perkins of Kentucky simply declared, "The education needs of the United States will be met only when the Federal Government accepts its responsibility to provide a great share of the cost of public education."

Today, liberals like Todd Gitlin, professor at New York University, contend that "the argument for local difference was always disingenuous"; states' rights was a Southern device for preserving racial segregation.

Obviously, race was at the center of the nation's greatest regional conflict, the Civil War. But, Mr. Gitlin acknowledged, the South also had decades of resentment of Eastern bankers and of Federal tariffs that helped manufacturing states but not agricultural ones. Today, a similar reaction is that of Westerners who think Eastern environmentalists want them to starve so they can vacation in mountains unscarred by logging, mining and grazing.

A Logical Division of Labor

Arguments against establishing national standards in education are also mounted defensively, rather than to preserve "some abstract New Hampshire-ness," Mr. Gitlin said.

"They are afraid of the onslaught of secular humanism, or pointy-headed bureaucrats," he said.

Some political scientists argue that various duties fall logically to the Federal Government; leaving welfare spending to the states, for example, could induce "a race to the bottom" as all states try to

Opportunism is part of the ideological role-reversal. But changes in the national culture also play a role.

avoid attracting the poor.

On the other hand, according to this school, decisions regarding economic development and many public services should fall naturally to states and localities.

Mr. Pilon is no such accommodationist. He argues that relying on government to deal with problems, rather than leaving them to individuals, should be undertaken "only if one has to, and then only at the lowest level possible, on the theory that the people who are closest to the problem are best able to handle it."

He finds hardly any of the expansions of national authority in recent decades — except for the 1964 Voting Rights Act — salutary.

But times change. If the ideological alliances behind states' rights or centralism are now muddled, it is worth remembering that they have changed before.

Indeed, when these controversies began in the 1790's as the reach of the Federal Government was being defined, it was Jefferson's party (then called Republican but the ancestor of today's Democrats) that wanted more power vested in the states. It was the Federalists and the commercial interests who sought a powerful national Government.

مقتضات الوصول

ECONOMY

Of All That He Sells, Branson Sells Himself Best

By GERALDINE FABRIKANT

WEST WITTERING, England
ON a recent blustery Saturday, a scruffy-looking Englishman and a small group of guests climbed aboard two giant hot-air balloons in the southern English countryside. As the winds pushed the balloons above fields of muted green, the host waved from the gondola to throngs of spectators below. An hour later, the balloons touched down with a thud near an old graveyard. The balloonist stepped out — to be mobbed by children pleading for autographs. A rock star? A sports hero? No, it was Richard Branson, the billionaire owner of Virgin Atlantic Airways and one of the few entrepreneurs in the world famous enough to leave crowds gaping. And Mr. Branson, who stuttered from shyness as a young man, gloried in the adulation. In a nation that disdains ostentation and prides itself on its stiff-upper-lip reserve, Mr. Branson is an anomaly. The 46-year-old high-school dropout is practically a one-man publicity circus, embarking on headline-grabbing balloon trips, hammering it up in wedding dresses and other costumes, and emblazoning the Virgin name on everything from planes and trains to blue jeans and lipstick to promote his businesses.

And far from disapproving, his fellow Britons love him for his grandstanding. When the BBC Radio asked 1,200 people who they thought would be most qualified to rewrite the Ten Commandments, Mr. Branson came in fourth, after Mother Teresa, the Pope and the Archbishop of Canterbury. What the public rarely glimpses underneath all the bonhomie is a man who watches every penny. Even his famous balloon trips are paid for mostly by others. And he knows how to turn failure to his advantage, gaining invaluable publicity, for example, even when the balloon that is supposed to carry him around the globe crashes ignominiously in some remote desert. Clearly, Mr. Branson has found the right mix of bravura and boyish effusiveness to charm his way into British hearts. Now, he is using his hard-won celebrity to cajole his way into their investment portfolios. Two years ago, he began an index fund intended to track the Financial Times All-Share Index of about 900 stocks. Indexing, a money-management approach that eliminates the need for stock picking and reduces management costs, appealed to the miser in him. Though similar index funds were already on the market, "the existing funds were not properly promoted," he said in an interview at his sister's home here, on the southern English coast. He was convinced that the fees and sales charges of the existing funds were too high and that the Virgin name would attract a new group of investors. "I thought I could set up a business and bring other people into an area they did not know anything about," said Mr. Branson, ever the marketer. And so he has. Small investors, in particular, have been drawn to his no-load financial company, called Virgin Direct, which handled \$1.3 billion in two funds at last count. Modest even in the British market, Virgin Direct would be dwarfed by the Vanguard Index 500 fund, which has more than \$30 billion in assets and has been the fastest-growing fund in the United States. Except for relatively small personal investments in the index funds, Mr. Branson says, he avoids the stock market because he thinks he can do better plowing his own money back into his own Virgin empire, which now counts more than 200 companies with annual sales of about \$2.5 billion, according to The Sunday Times of London. For the most part, Mr. Branson sidesteps questions about his finances, citing a desire for privacy. Although he doesn't have a conventional investment portfolio, he may not need one, since 99 percent of his wealth is tied up in his companies. After selling one of his most prized possessions, Virgin Records, to Thorn EMI for \$1 billion in 1992, Mr. Branson placed a chunk of the proceeds with money managers, but quickly became dissatisfied with the results and the hefty fees. "If you can give me a list of people who have outperformed the stock market over 30 years, obviously I will consider them," he said. "On paper, it actually looks like they have done well. But then you take their charges into account. They will over mention there is a big spread off the top that takes 5 percent straight away. There is a management fee that they charge every time they buy and sell the shares, and they can buy and sell them as many times as they want through the year, and so on and so on."

British Airways. In one lawsuit, filed last year in Federal District Court in New York City, a former employee, Elizabeth Hinko, accused Mr. Branson of fondling her during a press party in 1994 at his home. Mr. Branson, who has been married to his second wife, Joan Templeman, since 1989, denies the accusation. "Hopefully, the charges will get chucked out and never get to court," he said. Whether or not he goes to extremes, Mr. Branson cultivates the image of a fun-loving man-about-town, not a businessman focused on building his fortune. To hear him tell it, getting rich is not the point of amassing businesses. Having fun, calling his own shots and pursuing his own dreams is. Despite his free-wheeling style, Mr. Branson is far less impulsive about taking risks than it may seem. In starting Virgin Airways 13 years ago, he was keenly aware that a predecessor in the upstart airline business, Freddie Laker, had overextended himself financially. So he leased a single plane from Boeing in a deal that allowed him to walk away from the venture if it faltered. He even managed to lay off much of the cost of his daredevil attempts to cross the Atlantic and the Pacific with balloons, adventures that gave his Virgin empire millions of dollars' worth of free publicity. "Generally speaking, because the profiles of the trips are so high, we can find sponsors if we want them," he said. "We can sell the space on the balloons for some millions of dollars more than it actually costs us." Actually, his business acumen dates to his youth, when he dropped out of school at age 16 to start, of all things, a magazine called Student. That set him on a course that deviated from the ambition of his father, a lawyer, who wanted him to follow in his footsteps. But it was in keeping with the aspirations of his mother, Eve, who early on had gone to pains to develop an independent spirit in him. When Richard was just 5, fearful that "kids were getting a bit soft and feeble," she dropped her son in a field and told him to make his way to their country home two miles away. "We thought we had lost him," his mother recalled, "but he found his way to a farmhouse and they called us."



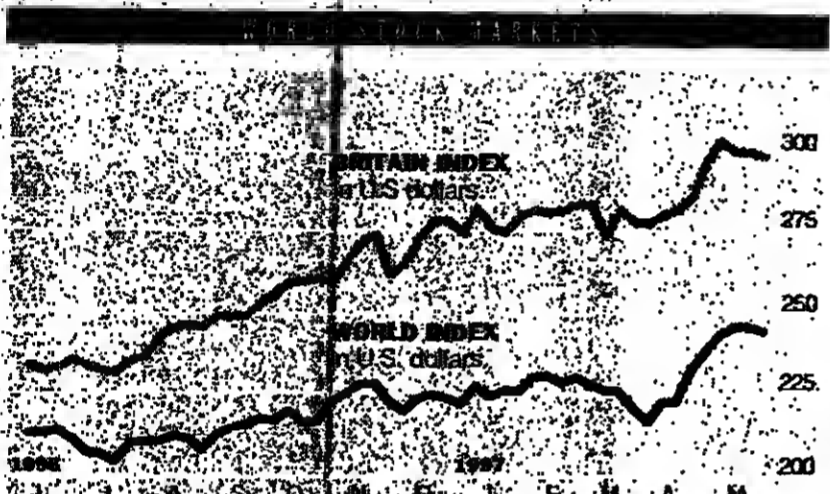
Richard Branson prepared to raise his company's colors recently on a balloon flight in southern England.

Richard Branson's first venture in journalism, Student magazine, was a failure. But he parlayed it into a mail-order record business. He and his friends toyed with the idea of calling the venture Slipped Disc, finally opting

for Virgin because they were such novices. Over the next 14 years, he built Virgin into one of Britain's best-known independent record labels. But by 1983, he wanted to diversify, and was receptive when a lawyer he did not know presented a proposal for a new airline that would use the airport landing slots that were emptied by the collapse of Laker Airways. But perhaps his most effective guise is the one he wears every day: That of the average bloke taking on the establishment. He plays that role to the hilt in his battles with giant British Airways, which he accused of attempting to damage his business by stealing secrets from Virgin's computers. Mr. Branson took British Airways to court and, in a sweet victory, won a \$945,000 settlement and an unusual public apology from Lord King — a public-relations comp worth its weight in gold. To create a war chest for the battle with British Air, he made the \$1 billion sale of his record company to Thorn EMI. He was then 42, but it was the first time he felt financially secure. "We knew that we had no debts," he recalled. "We were financially strong and it would be impossible to see everything disappearing." That fear of watching his empire go up in smoke had gnawed at him since his debut as an entrepreneur. He had come to realize, he said, how much circumstance and even blind luck can play in business. "There is a very thin line between success and failure," he said. "If you go into business without any financial backing, and you build a business from scratch, the word 'survival' is the key word. "In our business, from the age of 15 to the age of 37 or 38, we could have gone either way," he said, citing the Persian Gulf war, bad times for airlines and the specter of entrepreneurs like Rupert Murdoch almost going under. Mr. Branson does not dispute an estimate by The Sunday Times that his empire is worth \$2.76 billion, but he does not confirm it, either, and it is impossible to verify because all his companies are private. He briefly took Virgin Records public in 1986, selling 30 percent for \$324 million, but the stock did poorly and he bought it back. Would he go public again? "People kill for their freedom," he answered. He is, however, happy to take money from investment partners, so long as the product carries the Virgin name. And now that he has made Virgin a household name not only in Britain, but in Japan and the United States, people are clamoring to do deals with him. "We can get people to invest in our business, to practically fund any venture we do," Mr. Branson said. "We don't actually really have to put money into our own new ventures. Others will do it for us." □



Richard Branson, ever the marketer, kicks up his heels over — you guessed it — Virgin Vodka.



Prepared by Goldman, Sachs & Co. using data derived from the Financial Times/Standard & Poor's Actuaries World Indices, a measure of stock market performance. The FT indices are compiled jointly by The Financial Times Limited, Goldman, Sachs & Co. and Standard & Poor's, in conjunction with the Institute of Actuaries and Faculty of Actuaries.

Table with columns: Country, Index, Week % Chg, Rank, YTD % Chg, YTD Rank, Dividend Yield, Index, YTD % Chg. Lists various countries like Australia, Austria, Belgium, etc.

Table with columns: Composite Indices, Index, % Chg, Rank, YTD % Chg, YTD Rank. Lists Europe, Pacific Basin, Europe/Pacific, World.

Table with columns: Exchange rate, Friday, Last Friday, Week % Chg, Year Ago. Lists Japanese yen to the U.S. dollar, German marks to the U.S. dollar, etc.

May 26-30: Despite an Earnings Drop at Intel, the Dow Ends the Month Up 4.6%

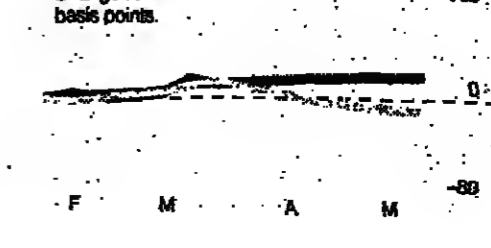
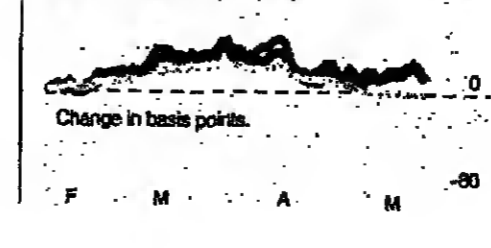
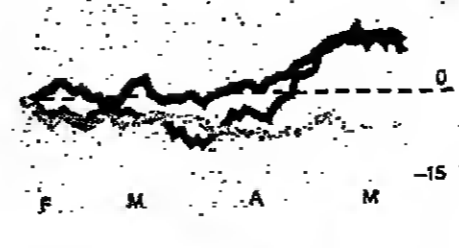
Table with columns: PRICES, DOMESTIC EQUITIES, Broad market, S. & P. 500 Index, Blue chips, Dow 30 Industrials, Small capitalization, Russell 2000 Index.

Table with columns: DOMESTIC BONDS, Treasuries, Ryan Labs. Total Return, Municipals, Bond Buyer index, Corporates, Merrill Lynch Master index.

Table with columns: AROUND THE WORLD, European stocks, F.T.-Actuaries Europe, Asian stocks, F.T.-Actuaries Pacific Basin, Gold, New York cash price.

Table with columns: BONDS, Long bonds, 30-year Treasuries, Notes, 2-year Treasuries, Municipals, Bond Buyer index.

Table with columns: OTHER INVESTMENTS, Money market funds, Taxable average, Bank C.D.'s, 1-year small savers, Stocks, S. & P. 500 dividend yield.



Sources: Bank Rate Monitor; Bloomberg Financial Markets; The Bond Buyer; Datastream; Goldman, Sachs; IBC's Money Fund Report; Merrill Lynch; Standard & Poor's; Ryan Labs

Essay

WILLIAM SAFIRE

The Misrule of Law

In Nazi Germany and Communist Russia, dictators used the power of a corrupted and compliant judiciary to cloak with legitimacy the regime's need to lock up, torture or drive out any who dared oppose them.

That same device — the misrule of law — is being used today in Singapore. The local dictator, Lee Kuan Yew, has developed his own method of silencing his political opponents and courageous journalists: He has his lap-dog judges condemn critics for libel and assess huge fines to be paid to the dictator and his henchmen.

Here's how the judicial gang operates: A veteran lawyer named Tang Liang Hong had the temerity to run against the ruling party this year. When he mentioned scandalous discounts the dictator received in a real estate deal, Lee and his coterie charged Tang with being "an anti-English education, anti-Christian Chinese chauvinist."

As might be expected in a political campaign, Tang denied that and called his attackers liars — thereby stepping into a libel trap. Lee and co. sued for millions. When the "election" ended, Tang wisely beat it out of town to Hong Kong because he claimed to fear for his safety. Lee & Co. sued him for saying that, too.

When Lee sues, judges jump. His bench socked Tang for \$5.8 million for subverting the dictator's "moral authority to govern" and, while the lap-dog judges were at it, ordered the miscreant dissenter arrested on 33 counts of tax evasion.

In his 63-page judgment, the presiding judge recalled with pleasure a previous award to Lee of \$400,000 from The International Herald Tribune for a piece he claimed suggested that compliant judges were used by Lee to bankrupt political opponents. Tang's "ferocious and venomous" suggestion that the Senior Minister lied was worth at least 10 times that.

What we have here is a plain and simple extortion racket. The dictator uses the courts to squeeze opponents for money, or to exact tribute from the Trib, making sure to appoint judges who deliver for him by bankrupting and exiling the opposition. Singapore is a nation-state run by efficient political racketeers professing respect for law and order.

Why should this bother us? The regional reason: Singapore's ultra-orthodox economy and anti-democratic politics make up the dangerous "model" being followed by China. A

broader reason: The Singapore virus — the notion that capitalist prosperity can be abetted by political repression — could infect the global economy with its strait of fascism.

But nobody's worried. The World Economic Forum bails Singapore as No. 1 in economic freedom — when the mention of "freedom" in the same breath as Singapore is a joke.

The Nixoo Center for Peace and Pragmatism, controlled by Henry Kissinger, James Schlesinger and Maurice Greenberg, looks back fondly at Lee's anti-Communist past and honors him as its "architect of the next century." And travelers who profess to stand for human rights help tyranny along by flying Singapore Airlines.

Worst of all, the organs of international opinion — supposed guardians of free speech — kowtow commercially to the despot and his nepotist son. Time, Newsweek, The Financial Times write on eggs to avoid litigation in Extortionland; The Wall Street Journal invests with Singapore in a regional news network, and

Singapore's legal racket.

The Herald Tribune, owned by The New York Times and Washington Post, still operates in the scene of its past humiliation.

Why don't my brethren combine in restraint of trading with the avowed enemy of democracy's values? We aren't helpless; news media can locate headquarters in Manila, Kuala Lumpur, Bangkok and Taipei, which are already sites for printing and distribution.

The Trib would be crazy to run today's column. Calling a racket a racket is considered libelous in Singapore, where regard for truth is no defense.

In the U.S. last week, a unanimous Supreme Court demonstrated how a truly independent judiciary can check the power of a president and uphold the rights of an individual citizen. The reaction of the people, including those of us who disagreed in this case, was: That's it. Integrity makes possible finality. Someday the beacon of the rule of law will shine into Singapore and all the dark corners of the world.



The Terrorist Next Door

By Karen Mathews

Modesto, Calif. Lady, you would be so easy to kill." More than three years later, these words still haunt me. My assailant growled: this threat, as I lay in the darkness on the floor of my garage, stunned and dazed from being beaten, kicked and knifed. Then he put a gun to my head and dry-fired it several times.

This was no random attack or botched burglary. The man who all but killed me was a member of a disciplined organization with a specific mission. And bizarre as it may seem, I had been targeted because of my job. I am the elected Clerk-Recorder of Stanislaus County in central California, a sleepy-sounding title until paramilitary groups discovered that harassing and intimidating officials like me is a way to attack the basic workings of government. One of their tactics is to try to file liens against the property of Internal Revenue Service employees and other officials they regard as the enemy.

In California alone, clerk-recorders in 49 of the state's 58 counties have reported threats ranging from fist-pounding intimidation to verbal threats of harm. This is part of a guerrilla war against democracy going on far below the level of an Oklahoma City bombing. With all reverence for victims of that attack, I often felt while following the trial of Timothy McVeigh that the events are related in spirit if not in fact.

My nightmare began in early 1992. I was approached on several occasions by a small group of individuals who demanded I record various illegal documents, usually fictitious "common law" liens against property owned by I.R.S. employees or local elected officials. I, of course, refused to do so.

Karen Mathews is the Clerk-Recorder of Stanislaus County, Calif.

After that, my staff and I became targets of threats and hostile acts. I received anonymous telephone calls at the office and at home. A fake bomb was placed under my car. Bullets were fired through the office windows. A single bullet was mailed to my home with a message stating, "The next bullet will be directed at your head."

Then came the attack in my garage on Jan. 30, 1994, that changed my life. "Do your job. Record our documents," my assailant said over and over. "You are a messenger to all the recorders. This could happen to them, too."

Aside from my feelings of fear, anger and disbelief, I was totally per-

Attacks on local officials are threats to democracy.

plexed about who would go to such extremes to terrorize a county recorder. My nonpartisan office handled few if any controversial matters.

The answer came more than a year later, when, after exhaustive efforts by F.B.I. and I.R.S. agents and local law enforcement, nine people were arrested and charged with various Federal crimes, including the attack on me.

All nine were members of the Juris Christian Assembly, a shadowy group specializing in tax protests and other resistance to government. My assailant was an Oregon man with militia connections who came to Modesto, as the inquiry later showed, to terrorize me. He had previously been accused of threatening two California state senators.

Last month, a Federal jury in Fresno, Calif., convicted him and the eight other defendants. They are currently awaiting sentencing.

Although I was relieved when the verdicts were announced, my emotions were constrained. My life has changed. I now carry a gun and have been trained in martial arts. For the last three years, guards were with me 24 hours a day.

Even though my attacker is going to prison, I still live under heavy security. Last month, a man came into our office, quickly took photographs of my staff, and hurried out.

Other recorders I know are being threatened. A man recently told a county clerk in the San Francisco Bay Area: "You know what happened to that woman in Modesto. You better be careful."

According to the Justice Department, every county in California has formal militia groups. Just last month, several people with militia ties were arrested in two Northern California counties after authorities said they were found with blasting caps and 500 pounds of high explosives, stolen from a mine in Montana.

I'm most familiar with what is happening in California, but the problem is nationwide. The recent siege by the Republic of Texas group essentially began with "paper terrorism" — the filing of bogus liens. According to the Anti-Defamation League, anti-government extremists are using "common law" courts and similar tactics in at least 23 states.

It is difficult to comprehend or convey the anger and crazy sense of misguided patriotism embraced by these people. For example, after I refused to record one man's illegal "common law" lien, he told me, "You are guilty of treason." He then swore, "I am a sovereign citizen of the Republic of California, out the corporate United States, and the laws you enforce restrict my God-given rights."

Efforts are being made to stop the intimidation. After I was attacked, California enacted a law making it a felony to threaten a public official, their employees or families. A bill in the California Legislature right now would take some pressure off county

recorders by moving disputes to their proper forum, the courtroom. If someone demanded that we file a bogus lien, we could refer the case to a judge immediately.

In Washington, Representative Charles Schumer of New York, who has led the fight against the militia movement, and my Representative, Gary Coodit of California, are seeking Federal penalties on crimes associated with threats to public officials. In too many cases, local officials are intimidated by the militias. The Government has the ultimate responsibility to preserve our Constitution against the direct assault by these groups. Yet so many legislators in Washington remain complacent about the threat.

As I begin my life anew, I still find it hard to discuss some of the details of what happened to me. But I feel an anger that won't go away, not only against the self-styled patriots who harass us, but also against those who express or tolerate a certain "populist" support for anti-government extremism.

Journal FRANK RICH

Let the Trial Begin!

Clinton owes us one.

Now that the Supreme Court has spoken, let Bill Clinton's trial begin! There are two vital reasons why it is in the national interest that Paula Jones have her day in court — and that it be the longest day in court American jurisprudence can provide.

1. The country is bored, desperately bored. No matter that the economy is booming, there's peace abroad and the new welfare law gives us permission to stop worrying about the poor; Americans have been spiraling into depression since O. J. left the stage. What good is guilt-free prosperity if we suffer from entertainment deprivation?

Oh sure, the pundits all promised us that the Timothy McVeigh trial would fill that vacuum, but what a sadly bitter bust it has turned out to be. Efficient, brief, professional, untelevised and possibly even just, it is enough to leave anyone bemoaning the fallen state of a legal system whose ability to generate months of riveting soap opera was only yesterday the envy of the civilized world.

Despite some promising tabloid headlines, no other case is rushing in to fill the vacuum. Up in Massachusetts, a baby sitter is letting sleeping Kennedys lie. The air went out of the Marv Albert scandal once the Arlington police refused to strip the defendant of his rug for his mug shot. Nor, it seems, is there any great public clamor for Frank and Kathie Lee Gifford to take their marital troubles to court. A trial would only guarantee still more air time for the overexposed Kathie Lee — not to mention the blinding prospect that she might be interviewed on CBS by the one TV

personality who can match her in aggressive perkiness and on-camera baby-wielding, Susan Molinari.

With such a parched summer ahead, is it any wonder that the nation is reduced to watching "The Lost World"? The only entertainment alternatives are to attend museum exhibitions about the dinosaurs of "The Lost World" or to stay home and watch TV news reports about the weekend grosses of "The Lost World."

2. The President needs to give his second term some "distinguishing characteristics." Far from being too busy to go to trial, as his lawyers ineffectually argued to the Court, Mr. Clinton is clearly a man in need of a mission — and one that might actually be of benefit to the nation.

The last time the President earned his keep was during his last State of the Union Address, when his avalanche of empty promises offered a tranquilizing diversion during the excruciating wait for the verdict in the O. J. civil trial. Since then, the education President has negotiated a balanced budget that offers not a penny to rebuild the nation's decrepit public schools. What's more, the anti-tobacco, pro-childhood-development President secured his empty budget deal by killing a bipartisan measure

that would have raised cigarette taxes to buy poor children health care.

Now Mr. Clinton is shifting from the disingenuous to the nonsensical. Two days ago, when Hillary Clinton and Tipper Gore played host to the editors of women's magazines, fashion magazines included, at the White House, the President gave a speech decrying the fashion world's "beroin chic" — but to a meeting of mayors in another room. It's bad enough that the anti-drug President can't stand up to Mexico — a far bigger source of our current drug woes than a grotesque fashion fad that's run its course — but to the editor of Vogue?

Equally odd was the President's proposal the next day for a V-chip to regulate porn on the infinite sites of the Internet, just as it's dawning on the public that his election-year gimmick of a ratings-driven V-chip can't even regulate the few dozen channels on TV. And what about Mr. Clinton's hollow call to develop an AIDS vaccine within a decade? Though the President likened his own speech to John Kennedy's 1961 call for putting a man on the moon, he, unlike his predecessor, put no money on the table. The real historical analogue is Richard Nixon, whose sweeping 1971 declaration of a war on cancer has left cancer death rates virtually unchanged in the 26 years since.

If Mr. Clinton isn't going to do anything else worthwhile, it behooves him to go to trial and at least fulfill his solemn obligation to entertain the country. If he decides to shirk this duty, too, by settling out of court, then let the televised impeachment begin.

New Encyclopedia of Zionism and Israel

In many respects, the history of Zionism is co-extensive with the history of the Jewish people in the last hundred years. The intense debate between proponents and opponents of Zionism has abated only with the renewal of Jewish statehood in 1948, when world Jewry rallied in support of the newly-born state.

Produced by the team led by Dr. Geoffrey Wigoder as Editor-in-Chief, with articles contributed by professors, diplomats, journalists, politicians - all experts in their respective fields, this 1521 pp. two-volume encyclopedia presents a comprehensive reference source for anyone seeking authentic knowledge of the whole subject of Zionist history and the State of Israel.

Herzl Press Publication.

JP Price: NIS 479.00 incl. VAT and door-to-door delivery (where available)



To: Books, The Jerusalem Post, POB 81, Jerusalem 91000
Please deliver New Encyclopedia of Zionism and Israel (2 vol.).
Enclosed is my check payable to The Jerusalem Post, or credit card details:

VISA ISRACARD DINERS

Number _____ Exp. _____
Name _____
Address _____
City _____ Code _____ JD No. _____
Tel.(day) _____ Signature _____

BUSINESS

in brief

Presentation of El Al sale plan postponed

The official presentation of the El Al privatization blueprint to Prime Minister Binyamin Netanyahu...

Cabinet to resume talks on land reform today

The cabinet is scheduled to meet today to discuss for a second time the proposals contained in the Romen report...

National Infrastructure Minister Ariel Sharon, who is sponsoring the report in the cabinet, last night announced the postponement of tomorrow's meeting of the ILA directorate...

Meanwhile, the united kibbutz and moshav movements asked the Supreme Court to issue a restraining order...

Meridor hosts Hungarian privatization minister

Finance Minister Dan Meridor and Hungarian Privatization Minister Judit Csiba discussed economic ties between the two countries...

Telephone duplicators restrained by court

Pelephone has won a temporary restraining order against a cellular phone retailer who was caught duplicating cellular phone lines...

Illegal workers seized in Tel Aviv

Investigators from the Labor and Social Affairs Ministry seized 37 illegal foreign workers yesterday in Tel Aviv and Lod...

Budget posts surplus for third consecutive month

Foreign currency reserves hit new record high at \$16.4 billion

By DAVID HARRIS

The government posted a third consecutive monthly budget surplus after registering an unexpected NIS 592 million domestic surplus...

Over the first five months of the year the government has accumulated a NIS 463m. surplus in its domestic activities.

However, in its overall activities the government has so far this year accumulated a NIS 1.116 billion deficit...

of 1997, according to a ratio of 2.8% of GDP.

Meanwhile, foreign currency reserves rose \$383m. to a record \$16.394b. during May...

The Treasury figures are sending mixed messages to economists, who at the start of the year were speaking of a slowdown and like-

ly government deficits.

"It's looking like a dull year, but I hope an uneventful one," said Ezra Sadan of economic planning company Sadan Lowenstein Ltd.

Both Sadan, a former Finance Ministry director general, and partner Ruth Lowenstein say it is too early to know on the basis of these figures whether the economy is coming out of its slowdown.

The overall budget deficit, including the foreign deficit, stood at NIS 87m. (excluding granted net credit) for May and NIS 1.162b. over the first five months.

There is some media speculation that Finance Minister Dan Meridor has been able to rein in the domestic deficit by delaying public spending programs.

However, with an imminent round of public pay claims and the subsequent negotiations and agreements, Meridor will be under increasing pressure to dip into reserves...

It is Meridor's claim that excessive pay agreements under the Labor government have in part

caused the mounting budget deficit.

Attention will once again turn to the ongoing talks among Meridor, Prime Minister Binyamin Netanyahu and Bank of Israel Governor Jacob Frenkel...

While these latest figures suggest a diminishing need for a cut, Meridor is still understood to favor what Treasury sources call a "slight adjustment."

However, according to the sources, some in the ministry already believe it is too late for a cut, with talks on the 1998 budget to begin this month.



Jordanian bourse revives

Jordanian brokers execute orders from mostly international global funds on the floor trade of the Amman Financial Market yesterday, which helped it climb to its highest levels in over three-and-a-half years...

Strauss completes takeover of Elite

By JENNIFER FRIEDLIN

The Federman family yesterday completed the transfer of its stake in Elite Industries to Nahariya Dairy Strauss Ltd.

Strauss paid \$65 million, sources close to the company said.

Following the transfer, David Federman stepped down as CEO of the company.

Strauss announced that David Schlabet was appointed chairman of the board.

Yitzhak Federman and Yebosbua Zoller, who served as directors under Federman, also stepped down.

Arieh Zeif, general manager of the Fiat Group, was appointed public director.

According to the original agreement between the parties, the Strauss group was to have paid \$65m. in mid-July for the Federman family's stake in the Ramat Gan-based company.

Strauss moved up the date of the purchase to stabilize the company.

Strauss is now planning to institute a reorganization plan for Elite, Israel's largest chocolate and sweets manufacturer and second largest food and beverages manufacturer.

During the first stage of the restructuring program, Strauss will create a new structure for Elite.

The company will be turned into a holding company, and its divisions will be considered as subsidiaries.

Strauss said this plan will enable it to develop strategic partnerships for the subsidiaries. The company said it has already begun discussing some potential deals.

Strauss is one of the country's biggest food producers.

Anti-trust Authority Director-General David Tadmor said that Strauss' purchase of Elite's shares has resulted in a monopoly, meaning that certain barriers regarding limitations on product bundling will be implemented.

Elite, which controls the coffee market, was already considered a monopoly.

COMPANY RESULTS

Bank Leumi net soars to NIS 618m.

By JENNIFER FRIEDLIN

The Bank Leumi Group's first-quarter net income soared 47 percent to NIS 618.3 million compared with the same period last year.

Net profit from ordinary operations was NIS 162.3m., an increase of 46.2% from the same period last year. The figure reflects an 8.9% return on capital, compared with 6.4% in 1996.

The provision for doubtful debts totalled NIS 89.2m. The bank made a special provision of NIS 75m. due to the slowdown of economic activity and the company's one-time profit from the sale of excess shares in non-banking holdings.

Last week the government sold 15% of its hold-

ing in Bank Leumi on the Tel Aviv Stock Exchange, generating an income of NIS 1.15 billion.

Israel Chemicals Ltd. (ICL) reported a 48% rise in first-quarter net income to \$21.5m. from \$14.4m. in the same period last year. Revenue was off 3% to \$400.7m. from \$412.9m.

The company said its activity in the chemical sector decreased by 5% in the first quarter from the same period last year. The company's fertilizer activities increased from \$19.2m. to \$24.4m.

Harel Hamishmar Investments Ltd. reported a 13% rise in net income in the first quarter to NIS 17.6m. from NIS 15.6m. in the same period last year. A one-time charge of NIS 1.9m. lowered the

company's profits to NIS 15.7m.

Annual return on capital totalled 18%.

The company's balance totalled NIS 5,536m. NIS 4.14b. of which comes from life insurance and general insurance policies. Policies for outstanding circumstances comprise NIS 90m. of the company's balance. The premium on life insurance rose 9%, totalling NIS 210m. Profits in this division totalled NIS 18m.

Direct Insurance, an insurance company that bypasses agents and sells policies directly to customers, reported a 97% rise in first-quarter revenue to NIS 1.32m. from NIS 671,000 last year.

The premiums have risen 22% in real terms to NIS 35m. In December, Bank Leumi acquired 20% of Direct Insurance.

Tokyo mulls suspending Nomura

Former president of Japan's largest brokerage arrested

By JOJI SAKURAI

TOKYO (AP) - Japanese Finance Ministry officials told the Japanese media over the weekend that they planned to hand down

strict penalties on Japan's largest brokerage, Nomura, including a temporary suspension of business operations.

The former president of Nomura was arrested Friday on suspicion of approving illegal payoffs to extortionists, underlining a widening scandal that links top businesses to mobsters.

The arrest of Hideo Sakamaki, who had resigned as Nomura Securities Co. president just two months ago in the wake of the scandal, sent stocks tumbling on the Tokyo Stock Exchange, including Nomura stock - which fell 4 percent.

The benchmark Nikkei Stock Average lost 243.42 points, or 1.20 percent.

The scandal has also touched Dai-ichi Kangyo Bank, a major commercial bank which is suspected of providing loans for stock purchases to Ryuichi Koike, the racketeer who was arrested earlier this month.

Prime Minister Ryutaro Hashimoto warned that the scandal would jolt the nation's securities industry.

"The impact this will have is severer than you think," he said shortly after the arrest.

Indeed, Nomura faces a tough challenge to regain its reputation.

Sakamaki took over as president, promising to clean up the brokerage, after it was embroiled in another major scandal in 1991, involving payoffs to favored major clients. No Nomura official was arrested in that scandal.

This week, Sakamaki testified in Parliament that he had met Koike, although he denied knowing about the payoffs, totaling 38 million yen (\$326,000), according to Japanese media reports.

Racketeers known as "sokaiya" extort payments by threatening to disrupt shareholders' meetings by shouting angry questions or at times throwing bottles at the podium.

The shareholders' meeting for which Sakamaki allegedly paid off Koike was one in which he brought back to the board the former top executives who had resigned to take responsibility for the earlier scandal.

Sakamaki's arrest is an embar-

assing blow to the financial sector at a time when it is trying to undergo reform to become more competitive in international business.

Table with columns for TARGET Mutual Fund for Foreign Residents and PRIME Mutual Fund for Foreign Residents, including Date, Purchase Price, and Redemption Price.

Advertisement for SPIDERS investment strategy with text: 'HAVE YOU CONSIDERED INVESTING IN SPIDERS?'

We're not talking about insects. This SPIDER is a nickname for SPDR - Standard & Poor's Depository Receipts - the S&P 500 packaged as an American Stock Exchange-traded share.

Advertisement for M.H. MEYERSON & CO., INC. providing contact information for securities and investment services.

Advertisement for 'A fax for you' by ISRAEL DISCOUNT BANK, offering 15 minutes and 1m gsm service.

ISRAEL MONEY MARKETS table listing currency deposit rates and shekel foreign exchange rates.

WORLD in brief

Bundesbank denies EMU report in gold feud
BONN (Reuters) - The head of Germany's powerful Bundesbank, locked in a bitter battle with Bonn over gold and currency reserves, denied he had proposed a delay in the 1999 start date for Europe's single currency.

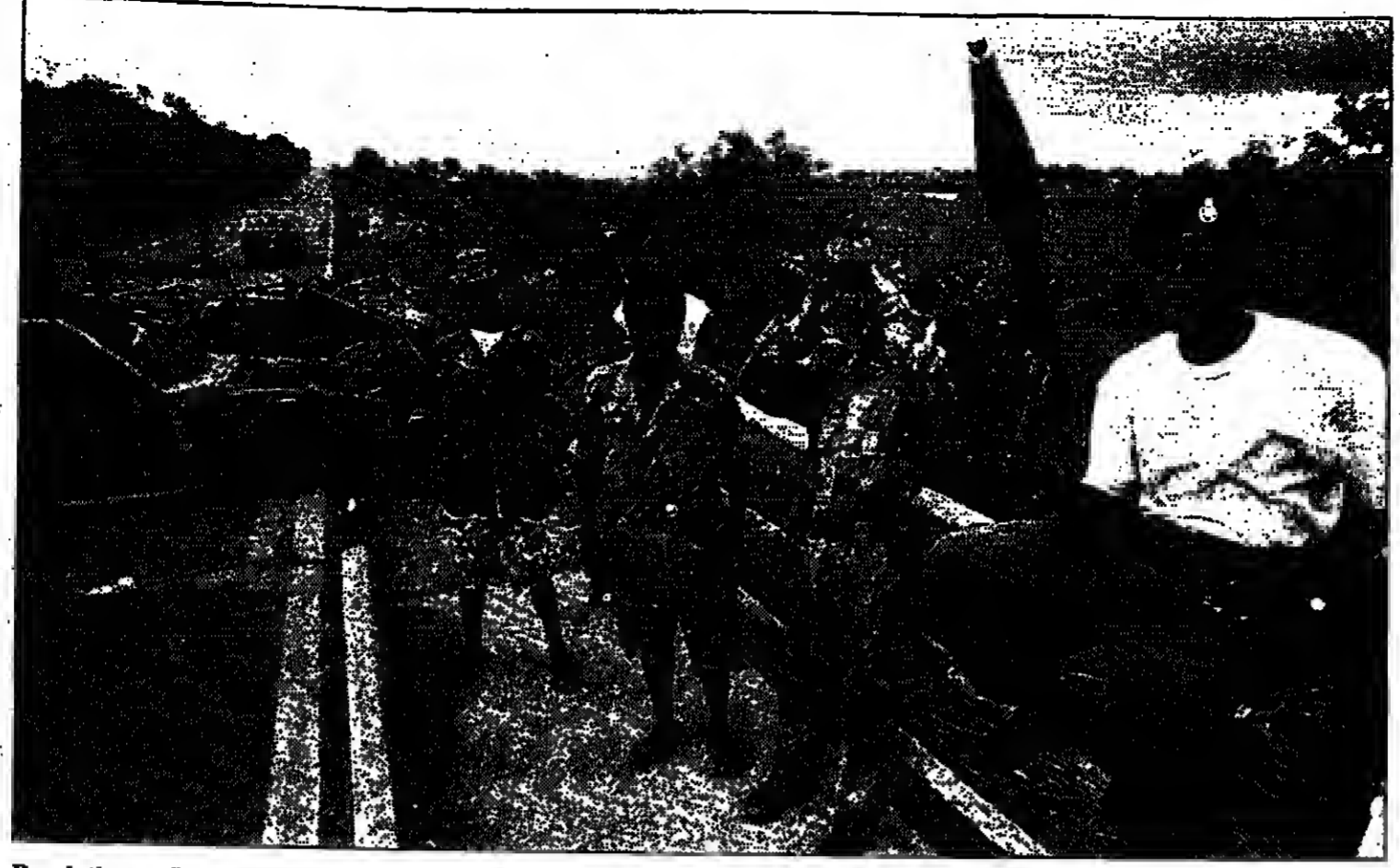
Jovial pope jokes, admonishes Poles
WROCLAW (Reuters) - A jovial Pope John Paul II joked with his countrymen about still being alive at 77 but sternly warned them of a moral wilderness threatening the freedom they had won.

Clinton's lawyer will 'fight Paula Jones'
WASHINGTON (AP) - US President Bill Clinton's lawyer said he'll go to court if necessary to fight the Paula Jones sexual harassment charges now that the Supreme Court has ruled the case can go ahead while Clinton is in office.

Korean students riot for third day
SEOUL (AP) - Students demanding the president's resignation clashed with police for the third straight day, setting Seoul streets alight with firebombs in a dense fog of police tear gas.

Kenyan politicians confined to homes

NAIROBI - President Daniel arap Moi yesterday dismissed opposition demands for constitutional reforms ahead of elections, while police confined opposition leaders to their homes to prevent more protests.



Revolutionary United Front rebels man a checkpoint some 20 kilometers east of Freetown yesterday.

S. Leone coup heads agree to bring back president

FREETOWN - Negotiators struck a deal with soldiers yesterday to end a week-long coup in Sierra Leone and bring back deposed civilian president Ahmad Tejan Kabbah, diplomats and mediators said.

Chiller to take over Turkey leadership

ANKARA (AP) - Deputy Prime Minister Tansu Ciller announced yesterday she was taking over the premiership a year ahead of her power-sharing arrangement with Islamic leader Necmettin Erbakan and would lead Turkey to early elections.

Oklahoma jury goes to third day

DENVER (AP) - Jurors in the Oklahoma City bombing trial failed to reach a verdict for a second day, with Timothy McVeigh's lawyer calling the length of deliberations "a victory for the system."

Key Representative Rates
US Dollar NIS 3,3940 -0.03%
Sterling NIS 5,5638 +0.02%
Mark NIS 1,9984 +0.13%

COMMODITIES ROUNDUP

Soybeans futures end strongly higher

By MICHAEL ZWEBNER
Soybean futures finished strongly higher on Friday, with old-crop months leaping to double-digit gains on higher than expected weekly crush data.

Bank shares lead market higher

By DAN GERSTENFELD
Shares closed higher yesterday on very high volume as traders focused on bank shares, traders said.

Bank shares lead market higher

By DAN GERSTENFELD
The Mizrahi trader agreed that the market is bullish. "Traders are very optimistic, but the positive trend is expected to continue on a slower pace," she said.

MISHTANIM LEADING 100 TASE ISSUES
Table with columns: Ticker, Last Price, Change. Includes Mishtanim, Maof, and various other stocks.

Table with columns: Ticker, Last Price, Change. Includes various international and regional stocks.

WHERE TO GO

Notices in this feature are charged at NIS 28.08 per line, including VAT. Insertion every day of the month costs NIS 820.65 per line, including VAT, per month.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES
Pharmacies: Shoshan Pharmacy, 42 Agrippas, 624-6484; Baisam, Salah e-Din, 627-2215; Shuzlat, Bhusat Road, 681-0108.

DATA COMMUNICATIONS VIA ABA
Foreign financial data courtesy of Commstock Trading Ltd.
Futures, Options, Stocks, Bonds and Mutual Funds

Tel Aviv shares data supplied by Pacific Mediterranean Investments. Tel. 09-958-5873. All other data supplied by Commstock Trading Ltd.

PAC MED INVESTMENTS

Vertical text on the left edge of the page, including "billions" and "Strauss completely takeover of Elite".

SPORTS

in brief

Israel resume training for Russia

The national soccer team got its boots back on yesterday as it began the second phase of training for the upcoming World Cup qualifier with Russia next Sunday...

Parma make sure of Champions' League slot

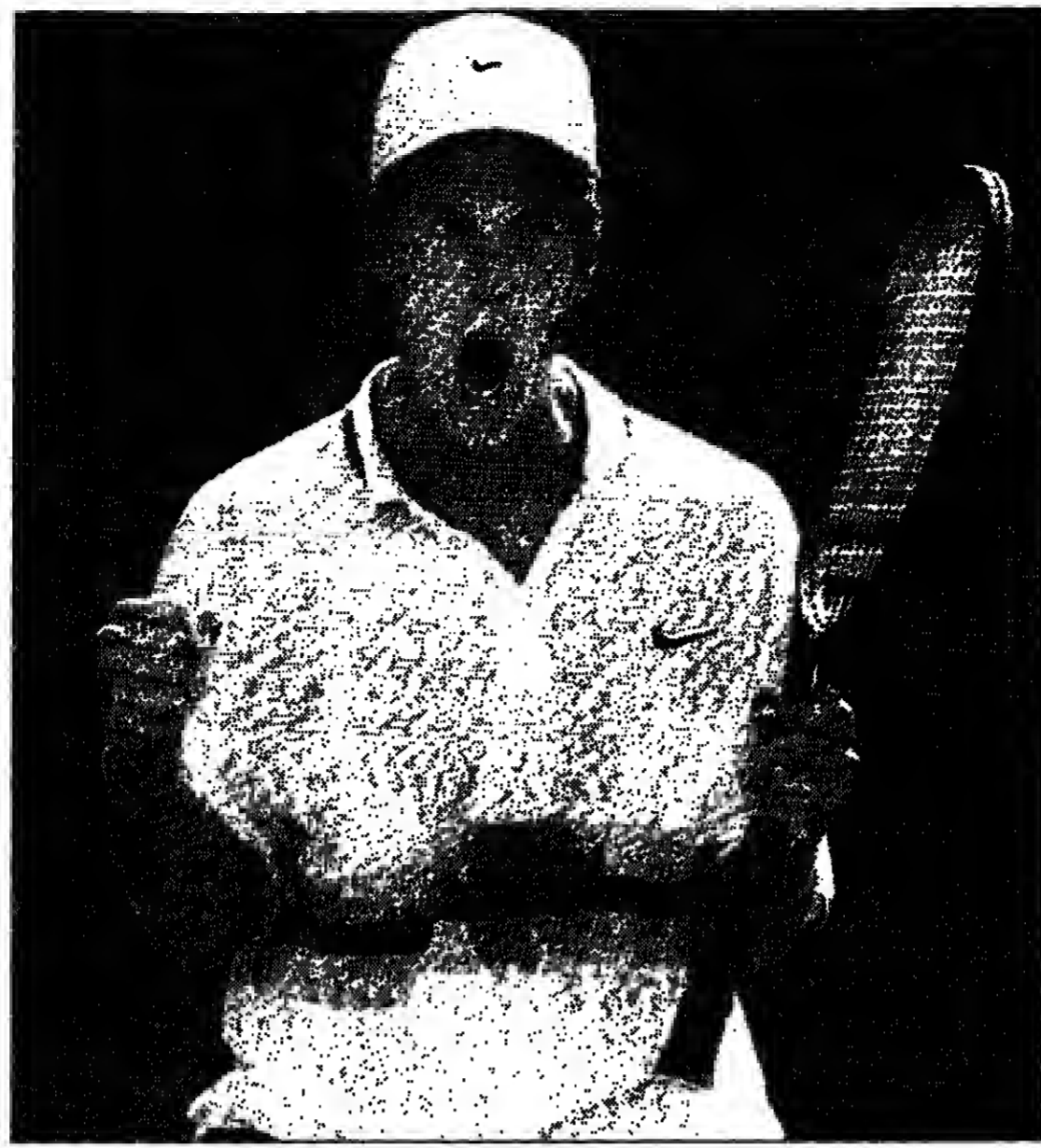
ROME (Reuters) - Parma clinched a place in the Champions' League next season after beating relegated Verona 2-1 on the last day of the Italian Serie A season yesterday...

Marv Albert honored with broadcasting award

SPRINGFIELD, Mass. (AP) - NBC sports broadcaster Marv Albert, who has been indicted on sex charges, was honored Saturday with the Curt Gowdy media award from the Basketball Hall of Fame...

Detroit takes 1-0 lead in Stanley Cup finals

PHILADELPHIA (Reuters) - They say defence is what wins the Stanley Cup. Bad defence can lose it. The Detroit Red Wings capitalized on a bout of defensive mistakes by the Philadelphia Flyers to win the first game of the best-of-seven National Hockey League Stanley Cup Finals 4-2 Saturday night...



ANOTHER NORMAN CONQUEST - Swede's Magnus Norman pumps himself up after winning a point against Marc Rosset of Switzerland yesterday. Norman won the match in four sets.

Kafelnikov wins game of 'Russian roulette'

PARIS (Reuters) - Defending champion Yevgeny Kafelnikov coolly restored some order to the French Open men's draw yesterday, defying what one of his beaten rivals described as "Russian roulette" conditions to reach the last eight...

England recall Devon Malcolm for first Test

LONDON (Reuters) - England have recalled controversial fast bowler Devon Malcolm to a squad of 17 for the first Test against Australia which begins at Edgbaston on Thursday...

New women's triple-jump mark for Shfaran

By HEATHER CHAIT Marjorie Shfaran from Elitzur Yevne set a new women's triple-jump record yesterday on the second and final day of the international athletic junior meet in Haifa...

Clemens improves to 10-0 with win over Athletics

OAKLAND, Ca. (Reuters) - Roger Clemens became the first 10-game winner in the majors and Joe Carter bonered to cap an eight-run fourth inning Saturday as the Toronto Blue Jays demolished the Oakland Athletics 13-3...

CLASSIFIEDS

Advertisement for classifieds containing various categories: RATES, DWELLINGS (Jerusalem Area, Holiday Rentals), SITUATIONS VACANT (Tel Aviv), PURCHASE/SALES (Tel Aviv), HOUSEHOLD HELP, PERSONALS, COMPANIONS, VEHICLES, OFFICE STAFF, and RENTALS.

Advertisement for Senior Architects Moshe Safdie Architects Ltd. International Architectural Firm, requiring senior staff to manage major projects in Israel.

Handwritten text at the bottom of the page: مکنا من النحل

